

# New Jersey National Guard



## Family Readiness Group Treasurer's Handbook

For Commanders, Family Readiness Group Leaders and Treasurers

02 June 2010

## Welcome!

The goal of this handbook is to welcome you to your new position and provide some of the tools needed to perform this job. The work of the Family Readiness Group (FRG) Treasurer, though important, need not consume an excessive amount of time.

This handbook serves as an unofficial source of information and guidance that are intended to offer you the best support possible for you to successfully accomplish your tasks. If questions arise or you are unsure of a situation you have a number of people who can assist you:

Family Readiness Group Leaders (i.e. the "Chairperson(s)", "Secretary", etc.)

Unit Commander or their designated Military Point of Contact.

The State Family Program Director at 1-888-859-0352 or 609-530-6834.

As you learn about the joys of being a Treasurer, keep in mind this handbook is for YOU! If you want something added or changed to make your job easier or you see errors, contact me so we can update this handbook.

Remember, you are not the first nor are you alone in this job. There are numerous other treasurers throughout the state as well as the State Family Programs Office who are ready to assist you. The most important item we have to state is "THANK YOU". Your willingness to accept this responsibility is greatly appreciated!

Our mailing address is:

United States Post Office Mailing Address USPO does not deliver to our street address	Non-United States Post Office Mailing Address UPS FEDEX DHL Couriers Etc
DMAVA Family Programs Office PO Box 340 Trenton NJ 08625-0340	DMAVA Family Programs Office 101 Eggerts Crossing Rd Lawrenceville NJ 08648

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## Major Changes This Version

1. This handbook has been reorganized and reformatted. Please read the entire handbook.
2. DA Form 4712 *Family Readiness Volunteer Agreement* is no longer authorized and has been replaced by DD Form 2793 *Volunteer Agreement For Appropriated Fund Activities & Non Appropriated Fund Instrumentalities* per AR 608-1.
3. The FRG Informal fund amount allowed is now \$10,000 per Army Directive 2008-01, *Increase In Family Readiness Group Informal Fund Cap* dated 07 Mar 2008.
4. “Commander” definition is clarified in the Glossary for purposes of this Handbook only.
5. Clarified definition of a year as 01 January – 31 December. Annual and quarterly reports will be based on this definition.
6. Added an appendix on fundraising limits to try and clarify AR 608-1, Appendix J-8.

# Table of Contents

<b>Chapter 1: Overview of FRG Funds</b>	<b>5</b>
<b>Chapter 2: FRG Fund Accounts</b>	<b>10</b>
<b>Chapter 3: FRG Fund Audits</b>	<b>13</b>
<b>Chapter 4: FRG Fundraising</b>	<b>15</b>
<b>Appendix A: Treasurer's Job Description &amp; Sample Appointment Letter</b>	<b>18</b>
<b>Appendix B: Sample Audit Letter</b>	<b>21</b>
<b>Appendix C: Sample Fundraising Letter/Checklist</b>	<b>24</b>
<b>Appendix D: Sample Transfer of Responsibility Letter</b>	<b>27</b>
<b>Appendix E: Sample Donation Acknowledgement Letter</b>	<b>28</b>
<b>Appendix F: Sample Quarterly Financial Report</b>	<b>29</b>
<b>Appendix G: Sample FRG SOP Letter</b>	<b>30</b>
<b>Appendix H: References</b>	<b>35</b>
<b>Appendix I: EIN Application Sample</b>	<b>36</b>
<b>Appendix J: References</b>	<b>39</b>
<b>Appendix K: Glossary of Terms</b>	<b>40</b>

## CHAPTER 1: Overview of FRG Funds

There is much misunderstanding about the purpose of an FRG, fundraising, and what an FRG can and cannot do concerning support to Families and Soldiers. While this handbook is primarily for the Treasurer it is a good idea to review a few key points about why an FRG exists before we discuss the financial aspects of an FRG. Let's discuss what AR 608-1, Appendix J states about FRG's (this is an extract highlighting certain key points and not the entire scope of what AR 608-1 has to say about FRG's):

❖ An FRG is a command-sponsored organization of Soldiers, civilian employees, family members (immediate and extended) and volunteers belonging to a unit. ***FRGs will provide mutual support and assistance, and a network of communications among the family members, the chain of command, and community resources.*** They will also provide feedback to the command on the state of the unit "family." (Italics added) **AR 608-1, Appendix J-1b**

Notice the regulation states that you are "command sponsored" which means the FRG exists because the unit commander desires to have an FRG. To provide a communication network between the command and the FRG member's regular meetings may be held, emails sent, and newsletter provided to keep members informed. Additionally, by holding regular meetings and social events the FRG provides a forum for easing the strain of deployments and keeping the morale of the members at a high level so that soldiers can concentrate on their duties and not worry about their loved ones.

❖ Unit commanders will ensure that their FRGs appeal to all service members, civilians, and family members regardless of rank structure or family size, composition, language spoken, and other characteristics.

FRG's must be open to all personnel who wish to attend. A personal club or a friend's only environment is not authorized. Activities, fund raising, expenditure of funds must benefit all who wish to partake in the FRG. You cannot exclude a particular group of people and should avoid a perception of spending funds for only a certain group of members. If you decide to have a party, the party needs to be open to everyone. Instead of having a "children's party" it may be better to have a "family" fun day where anyone who wishes to come and have some fun can do so. Don't have an event just for enlisted spouses, or the officer spouses, etc.

❖ The FRG is a unit commander's program formed in accordance with AR 600-20, Chapter 5 Section 10b (3). ***FRGs are not a morale, welfare, and recreation program; a NAFI: a private organization; or a nonprofit organization.*** (Italics added)

❖ Fundraising must be for the organization's informal fund, as opposed to a private charity, a particular military member, or a similar cause, and be approved by the commander with cognizance over the organization.... **AR1-100 and NGR 230-65**

❖ FRGs are not established to raise funds, solicit donations, or manage large sums of money. They are not equipped to handle the complex tax ramifications and stringent accounting requirements that can result from excessive informal funds. FRG informal funds will therefore not exceed an annual gross receipt (income) cap of \$10,000 per calendar year from all sources, including

fundraising, gifts, and donations. The FRG informal fund account shall not exceed a \$10,000 balance at any time. **AR 608-1 Appendix J-7 (e)**

The FRG cannot become a MWR function for either the families or soldiers. Providing emergency loans, buying “stuff” to loan out, providing entertainment opportunities (other than certain occasional social activities), or sport equipment for loan or rent are not authorized. There are other organizations chartered and set up to provide MWR functions. The FRG cannot buy equipment for soldiers that come through official Army channels. An FRG cannot raise money to donate for charitable purposes nor can an FRG receive money as a charitable organization. Only 501C.3 organizations recognized by the IRS can claim the rights and privileges as a charitable organization and AR 608-1 specifically disallows an FRG from becoming a charitable organization. Remember, your primary purpose is to provide a communication and support network for the FRG members and the Unit Command.

Finally, some people may say that “we” are in the National Guard and therefore Army Regulations don’t apply. However, in the preface to AR 608-1 paragraph 3 states:

**Applicability.** This regulation applies to the Active Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve unless otherwise stated.

If any FRG leader or unit Commander is under the impression that they can disregard AR 608-1 and do whatever they please concerning fundraising and spending of the money, then you as the Treasurer need to call the NJNG JAG office and the State Family Programs Director to ensure what is going on complies with appropriate regulations and protect yourself from any liabilities arising from possible unauthorized activities. Remember, as a Statutory Volunteer you are protected under the law only as long as you follow the law.

### **So let’s discuss your role as Treasurer in the FRG.**

The mission of Family Readiness Group (FRG) is to provide mutual support and assistance and a network of communications among the family members, the chain of command, and community resources. This is accomplished through three key activities:

1. Enhance the flow of information between the command and families.
2. Provide information, referral assistance and mutual concern.
3. Provide activities that enhance the well-being and esprit de corps within the unit.

FRGs are not established for the purpose of being a fundraising organization, however, Commanders may authorize FRG members to establish an informal fund. The Commander appoints an FRG Treasurer to maintain and manage the FRG account, but the ultimate responsibility for the account remains with the Commander.

Family Readiness Group funds are considered informal funds as long as they do not exceed \$10,000 in any given year. A year is considered 1 January through 31 December. Commanders may authorize the FRGs to establish an informal fund providing the following conditions are met:

#### **1. Account is limited to an annual income cap of \$10,000.**

The FRG informal fund account may not exceed \$10,000 income per year, nor shall it exceed a \$10,000 balance at any time. FRGs may not accept donations or fundraise until the informal fund

balance drops below \$10,000. (Should the account exceed \$10,000, the Group could be considered a Private Organization such as the Red Cross and become subject to the same IRS regulatory requirements or tax liabilities). Should you write checks near the end of December, stress the importance of cashing the checks quickly. Your bank balance at the end of December becomes your starting balance on 1 January and counts towards the new years' \$10,000 limit even though you may still have checks outstanding. For a more complete explanation view Appendix H.

**2. Commanders appoint a Treasurer and an alternate responsible for maintaining, accounting for and documenting spending of the fund.**

File the treasurer appointment letters in the unit's Family readiness binder and send a copy at the State Family Program Office. The treasurer is responsible for maintaining simple accounting records and receipts which document transactions of FRG funds. The unit commander, a deployable soldier and the FRG Leader can not serve as treasurers or signatories on FRG accounts. See **AR 608-1 Appendix J-7 (b) 2.**

**3. Ensure the account's use is limited to expenses consistent with the purpose and function of the fund.**

Ensure funds are utilized for the purpose they are raised, for example, homecomings, Holiday Party, volunteer recognition, etc. Further ensure that the funds are managed upholding military ethics and ideals. See **AR 608-1 Appendix J-7 (c).**

**4. The treasurer must sign a DD Form 2793, Volunteer Agreement For Appropriated Fund Activities & Non Appropriated Fund Instrumentalities.**

Send a copy to the State Family Program Office and file the original in the unit's Family Readiness Binder. This form states they are a statutory volunteer serving in an official capacity in direct support of the National Guard Family Program.

**5. Prior to opening a FRG account, Apply for an Employer Identification Number (EIN #), by completing IRS Form SS4 or apply online at [www.irs.gov](http://www.irs.gov).**

Applying and receiving your Employer Identification Number (EIN #) allows you to avoid the use of your personal Social Security Number when opening the bank account. If SSN is used for reporting to the IRS, account may be perceived as personal income by the Internal Revenue Service. The EIN# does **NOT** designate you as a charitable organization or exempt you from having to pay Federal and/or State sales taxes. Please Reference Appendix I: EIN Application Sample for further information and instructions.

**6. Open a non-interest bearing account in a federally insured financial institution.**

When signing checks, a minimum of two volunteer signatures is required. Military members cannot hold signature authority or be on the account. Note: Checks must be printed with "Requires two signatures" on the signature line.

**7. Family Readiness Groups are not non-profit organizations and therefore must pay sales tax on items purchased.**

To be exempt from sales tax you must file paperwork with the State of New Jersey and is a separate application for non-profit organizations. You work in supporting the soldiers and their families only and as such do not qualify as a charitable organization. Again, the EIN # simply allows you to open a bank account for the FRG.

**8. FRG informal funds cannot augment other unit informal funds such as the unit's "cup and flower" funds.**

FRG informal funds cannot be deposited or mixed with personal or other unit funds.

**9. FRG informal funds cannot be used to purchase items or services which may be paid for using military funds or for items not related to Family readiness such as service member farewell gifts.**

Funds cannot be given to a military unit to purchase additional supplies, equipment or to fund additional training.

**10. FRG Informal Fund Standard Operating Procedure (SOP).**

FRGs with an informal fund **must** have an organization SOP that provides the following information: the FRG name, a description of the FRG's purpose and function of the fund, and it must include the following statement:

"This FRG informal fund is for the benefit of the FRG members only and is established exclusively for charitable purposes and to provide support to Soldiers and family members as the Soldiers and families adapt to Army life. It is not a business and is not being run to generate profits. It is not an instrumentality of the United States Government. " **AR 608-1 Appendix J-7 (c) 3**

A sample SOP letter can be found in Appendix G which may be used as a guide if the FRG doesn't already have an SOP. The FRG informal fund SOP must be approved by the unit commander and a majority of the FRG members. It will be signed, at a minimum, by the commander, the treasurer and the alternate treasurer. File the SOP in the unit's Family Readiness Binder after the Treasurer signs the document.

**11. Plan a yearly budget to provide an outline of planned activities and required funds.**

Budgets are an important part in ensuring you comply with the \$10,000 yearly fund cap and to see what you are planning throughout the year. The budget may be created by you, but you need to work in conjunction with other FRG leaders and the membership to decide on the events you wish to plan for the FRG and the plan on how to fund it. With a budget in place, you can estimate the approximate cost of each event and how much money you may need to raise. The budget is NOT written in stone and things may be added or taken away as the FRG wishes. A budget will give you a starting point on which to base your decisions on and help ensure compliance with monetary regulations. **AR 608-1 Appendix J-6**

**12. FRGs (statutory volunteers) may only conduct internal fundraising with command approval amongst their own members.**

Comply with Army Regulation 600-29, Fundraising within the Department of the Army, paragraph 1-5, and DOD 5500.7-R, Joint Ethics Regulation and Army Regulation 608-1, App J. These activities are done internally on a military installation such as an armory where fund raising participants are limited to unit military members and their families (by us, for us). They may not conduct external fundraising per National Guard Bureau and Department of the Army Guidance. Clear fund raising questions through JAG if you are in doubt about the circumstances. **AR 608-1 Appendix J-7 (d) 1-2**

**13. FRG expenditures must benefit the entire FRG membership in some way.**



Expenditure of FRG Informal Funds must benefit the entire membership in some way and be approved by the majority of FRG members to be used. It is notable that expenditures must benefit the entire membership. However, this does not mean that every member should receive precisely the same benefit as the next. Since FRG members have different circumstances, such as married vs. single, children vs. no children, new vs. experienced, and so on, expenditures on these various groups are necessarily different. The entire FRG benefits, though, due to the positive impact on morale and the event has an open invitation to all members who would like to attend. Try to avoid having solely a children's event or adult event. Additionally, don't have 6 events solely for those with children. Mix it up and have an adult night, children's party, luncheon for the entire family, etc. Spread the funds out to include all eligible people throughout the year.

**14. FRGs may not solicit or give donations or gifts.**

However, Unit Commanders in conjunction with the State Family Program Director may accept/approve UNSOLICITED donations to the FRG informal fund of \$1000 or less (annually). This donation counts as FRG income and counts against the FRG \$10,000 annual income cap. FRGs offered large donations or gifts, should be referred to your commander and the JAG. All donations must be "unconditional" and a donation acknowledgement letter may be provided to the donor (sample letter found in Appendix E). Maintain a copy of the acknowledgment letter unit's Family readiness binder. **AR1-100 paragraph 5**

**15. Provide a yearly and monthly Treasurers Report to the Commander in accordance with AR 608-1 Appendix J-7(b) 3**

This keeps the commander informed on the current status of the FRG account and provides historical documentation for FRG account activity that can be presented for review. The report includes 4 items:

- A. Treasurer Report Memorandum (see Appendix F of this handbook).
- B. Copy of all Bank Statements since the last report.
- C. Copy of the Checkbook Register showing all transactions since the last report.
- D. FRG Secretary's meeting minutes to show treasurers monthly reporting.

Original copies of all reports are filed in the unit's Family Readiness Binder. Reports are required from units that have no checking account or no funds in their checking account as well (See Appendix F of this handbook). Commanders send a copy of the quarterly and yearly reports to the State Family Program Office.

An annual report on the FRG fund activity will be provided to the first Colonel (O-6) commander or designee in the unit's chain of command no later than 30 days after the end of the calendar year.

**16. Remember the FRG's purpose is to support the Soldiers family and always evaluate whether there is a need to engage in fundraising activities.**

Remember, all fundraising events must be pre-approved by the unit commander. There are numerous resources available without fundraising. Contact the State Family Program Office to explore your options and answer your questions. **AR 608-1 Appendix J-7(e) 2**

#### **BOTTOM LINE**

Funds are important to an FRG. Without funding, the FRG could not support the soldier's family and provide the needed support and morale network. By planning ahead, you can ensure funds are raised as needed and expended to the benefit of all FRG members without going over the \$10,000 yearly limit. Budgets are not written in stone and can be changed according to the wishes of the FRG members and subject to the yearly \$10,000 fundraising cap.

## CHAPTER 2: FRG Funds Account

### **The Family Readiness Group Bank Account Status**

National Guard Family Readiness Groups are encouraged to open and manage an FRG bank account under the IRS status of “Banking Purposes Only.” To qualify for this status, the Treasurer must complete IRS Form SS4 which may be found online at [www.irs.gov](http://www.irs.gov). It should be noted that banks will not open an account for your group until you have obtained an Employer Identification Number (EIN). After you have obtained the EIN, please ensure that you safeguard it. Do not allow any individual to use the number for any other purpose.

The EIN is an” identification number for banking purposes. Because of this, the FRG must pay sales tax for any items purchased. Additionally, the FRG must advise potential donors that the FRG is not a “charitable organization” and cannot provide a receipt for tax purposes. However, acknowledgement letters thanking an individual or organization is acceptable and highly encouraged.

The EIN will ensure volunteers do not use their personal Social Security Number when opening the account. Personal SSN’s should never be used because the account could then be perceived as personal income by the IRS.

Please reference Appendix I: EIN Application Sample for further information and instructions.

### **Opening a Bank Account**

Open a non- interest-bearing checking account with a minimum of two volunteer signatures to include the treasurer and one other approved member (volunteer) of the FRG. No military member should hold signature authority. Checks must be printed with “Requires two signatures” on the signature line.

A non-interest bearing “Family Readiness Group Account” will often be free of service charges.

On-line banking option: if the bank has this option, this is an easy way to view account on-line and view checks and balances.

### **Checkbook Disbursement**

The Treasurer holds/secures the checkbook on behalf of the FRG.

Reimbursement for travel and other expenses:

- Receipts are kept and attached to volunteer Travel Vouchers for reimbursement of travel expenses. Only **Statutory Volunteers** are eligible for reimbursement and only for travel and items in conjunction with official duties. Normally, FRG members and volunteers do not get reimbursed. If you should be faced with the question about reimbursing Non-Statutory volunteers or FRG members, contact the State Family Program Director and/or the JAG office before promising people they will get reimbursed.

- Reimbursement for travel and other expenses may only be issued with command pre-approval and funding availability. To claim reimbursements for travel or other expenses, ensure receipts are submitted. Attach the receipts to the Travel Voucher or expense claim and keep for your files prior to disbursing the funds. Ensure forms are completed and expenditure approved by the FRG prior to issuing the check. Statutory volunteers will not be reimbursed for incidental expenses when they are participating in social or fundraising activities.

### **The Checkbook**

The checkbook register provides a means of tracing the date, check number, description of the check, debit, credit, and balance of the FRG account. Other option to record transactions is: online banking and ledger entries.

Keeping a checkbook register current allows a ready reference for all transactions and an easily identified account balance. There is a section allowing verification that each check has cleared. The total amount of outstanding checks and all fees imposed should be considered in determining a proof of balance consistent with the bank balance.

Banks provide guidance for the balancing of the checkbook. The (\*) section allows verification that each check has cleared. The total amount of outstanding checks and all fees imposed to be considered in determining a proof of balance consistent with the bank balance.

### **Process of Payment**

The Treasurer ensures:

- All debits incurred by the FRG are paid in a timely matter.
- The FRG does not assume liabilities that exceed its assets.

FRG must **not** develop the mindset of holding money in the FRG account just for a rainy day. The reason for fundraising activities is to conduct programs, activities and training for unit family members to prepare them for times of separation due to mobilization.

### **FRG funds are NEVER used for personal loans or uses!!**

The Treasurer, where possible, assures that the FRG has included all expenditures in their projected FRG budget. Possible items include: childcare costs, snacks/meals for FRG meetings, meeting/conference room rentals, supplies not provided through the Army unit, parties, etc. A thought out budget helps to identify the programs, activities and training the FRG has planned and thus the amount of money required prior to fundraising activities.

The Treasurer presents all bills and requests for reimbursement, along with appropriate receipts and documentation to the FRG at a formal meeting. The FRG reviews, discusses and votes on the payment of the bills and reimbursements. The FRG Secretary records the minutes of the meeting, with current date and signature and keeps it on file with other FRG minutes.

Copies of minutes and treasurer reports will be provided to the Commander quarterly to keep them informed of the current status of the FRG account and to provide historical documentation

for FRG account activity that can be presented for review. Original copies of all reports are filed in the unit's Family readiness Binder.

### **FRG Transitions (Unit Name Change, New Treasurer, Closing an FRG)**

Once a FRG has filed an SS4 form with the IRS, gained an Employers Identification Number, and an account has been opened, every effort should be made to keep it open.

If a prolonged period of inactivity within the FRG should occur (family members are no longer involved) the Unit may secure the account until a new FRG may be formed rather than close the account each time such inactivity occurs.

Every effort should be made to re-establish the FRG as soon as possible. Additionally, update the signature card at the financial institution where the account was opened.

Until the FRG is reestablished, care must be taken to assure the FRG checkbook is secured. Previously approved account signatures should be removed from the account card at the bank. New signatures for this account should only be that of unit family members.

Should the commander need to appoint a new treasurer, update the bank account signature cards. Members of the former FRG may rename their group to align with the new unit and group members. When a new name is decided upon, the IRS should be notified. Refer to Form SS4 or [www.irs.gov](http://www.irs.gov) for directions, mailing location and telephone numbers.

Commanders should seek coordination and support from the State Family Programs Director, should the FRG account need to be closed and the EIN number surrendered (usually due to a unit being deactivated). After coordination with the State Family Program Director and JAG, the funds may be dispersed to other NJNG FRG locations.

If the Commander becomes aware of mismanagement of the FRG account, rather than closing the account, a new FRG member should be appointed to fill the Treasurer position and any other FRG leadership positions that may have been involved. The Commander may face a decision at that time concerning the notification and involvement of appropriate legal authorities. An audit should be conducted. If funds are found missing, then a certified letter may be sent requesting the return of funds and further action may be taken after consult with the National Guard JAG.

It is important to realize that this account should not become "the Commander's account" or that of the Family Liaison Officer (FLO). These funds are intended for and should be managed by FRG members for the purpose of preparing unit families for mobilization.

### **BOTTOM LINE**

The Treasurer is the keeper of the money. By keeping timely and accurate records you ensure proper accounting and give confidence to the FRG members and the Commander that the funds are properly accounted for and utilized.

## CHAPTER 3: FRG Fund Audits

An Audit is an examination and verification of a Family Readiness Group account. Sample audit forms may be found in Appendix B.

**An audit may be performed for the following reasons:**

1. To support the Treasurer by documenting the accuracy and truthfulness of their efforts. The expression “above reproach” can suggest that all challenges to proper FRG accounting by the Treasurer can be met with objectively produced auditing reports.
2. To provide the Commander assurance that the FRG account is being properly managed. Usually done annually and as directed by the commander as needed.
3. To maintain a level of accountability with all FRG members.
4. When there is a change in the designated FRG Treasurer.

**Audit procedures:**

**FIRST STEP:** Prior to each 1 Jan, the FRG, through their Military Point of Contact, requests that the Commander appoint an auditing committee to conduct the annual FRG audit (see the Commander Appoints Audit Committee form) to be conducted during the month of January. The commander’s audit along with the FRG’s Quarterly Financial Reports for the previous year may be considered as a complete accounting financial report for the year. This may be done with the comptroller during the Unit’s annual audit.

**SECOND STEP:** The FRG Treasurer presents the checkbook and accounting documents and the FRG Secretary presents the minutes to the auditing committee.

**THIRD STEP:** The auditing committee meets, reviews the information presented to them, and prepares the Annual Audit Report (see enclosed). Discrepancies and/or recommendations should be recorded on a separate memorandum and attached to the Annual Audit Report form. The audit and quarterly FRG Financial Reports should be completed and sent out No-Later-Than 31 Jan.

**FOURTH STEP:** The audit committee completes their report, giving the original copy to the Commander. Provide copies to the FRG Leader, Treasurer, Secretary, and State Family Programs Office at:

DMAVA  
Family Programs Office  
PO Box 340  
Trenton NJ 08625-0340

The audit committee returns all accounting records and the checkbook to the Treasurer and the minutes to the Secretary.

**FIFTH STEP:** If there are no discrepancies, the report should be filed. If discrepancies are found, the matter should be resolved in direct consultation with the Commander and

the FRG leadership. The Commander has the final word in such matters. If discrepancies or concerns are serious enough, the Commander may choose to secure the checkbook and request the resignation of the Treasurer. Such action applies only in a “worse case” situation.

**SIXTH STEP:** The original copies of all reports are filed in the FRG’s Readiness Binder. Copies are provided to the Commander, FRG Leaders and the State Family Program Office.

**BOTTOM LINE:**

Don’t be afraid of an audit. Audits are routine and help ensure compliance with the spirit and intent of regulations. It helps protect you, the FRG, and the NJNG. An audit identifies proper management of funds and will reveal areas of concerns. An audit should also provide you with recommendations to correct any problems that may arise.

## CHAPTER 4: FRG Fundraising

FRG members may participate in fund-raising activities as long as accounting procedures are established and followed. **Ensure funds are used for what it was raised for.**

### FUND-RAISING OBJECTIVES:

- Raise money for planned activities/programs
- Create awareness of FRG purpose, goals etc.
- Gather more volunteers to the ranks
- Gather new ideas for future programs
- Solidify credibility in community
- Educate public and unit members
- Social Events

**Non-Appropriated** Funds reimbursement from the State Family Readiness Office is **NOT** authorized for volunteers participating in fundraising activities.

**NOTE:** When purchasing items, you must pay sales tax.

Before the fund-raising activity takes place, the following steps should be followed:

1. Identify **why** the Readiness Group needs the funds and ensure the fundraiser does not duplicate what other agencies provide (types of fundraising may include holiday events, pay meeting/conference room rentals for meetings, provide food/refreshments for meeting, etc). Additionally, ensure the fundraiser will be used to support the entire FRG.
- .2. If you have questions concerning the legality of the fundraiser, call the New Jersey State Family Program Office (1-888-859-0352 or 1-609-530-6834). Be wary of donations, raffles, bake sales, etc. Ask for a donation rather than posting a charge (for example during bake sales or ticket sales, you ask for a suggested donation of \$5.00, etc.) Selling items can be subject to state excise tax. Be sure to clarify sales procedures to all group members prior to the fundraiser.
3. Secure a letter of approval from the Commander.
4. The treasurer is the designated person who is responsible for ensuring the amount of funds needed to be raised, accounting for the raised funds, and accounting for the distribution of the funds.

During the fund-raising activity:

1. Count and verify (by signature) the amount of money established in a “kitty” (initial cash fund).
2. Count and verify (by signature) each day’s receipts.
3. Secure FRG funds during the time of the fund-raising activity.
4. Funds/accounting documents and receipts to the FRG Treasurer with each days fundraising activity.

FRG fundraisers can be advertised in the Newsletter mailed by the unit and on email according to DOD 4525.8-M, Chapter 1 (Official Mail Management).



JER 3-210a(6) authorizes fundraising for the benefit of welfare funds (including informal funds) within a command or organization, but not outside of the command or organization. For example, fundraising for the benefit of welfare funds for a FRG could be authorized by the unit Commander, but the fundraising cannot extend beyond the FRG members and their dependants. Any fundraising beyond the FRG would not be authorized.

The phrase *when fundraising among their own members* in JER 3-210a(6) means fundraising among members of THAT organization. External fundraising is not authorized under this provision.

How does this apply to FRGs? In accordance with the above, any official fundraising **MUST** be limited to internal fundraising within the FRG organization and dependants.

It is recommended that FRG Leaders, the Treasurer or commanders contact the legal office, 609-562-0948 if you have any questions concerning fundraising.

Fund raising “NOT-SO-GOOD” ideas:

- ❖ Not using the money for what it was raised for
- ❖ Events that endangers participants
- ❖ Events occurring too often
- ❖ Poorly organized events
- ❖ Raising money without a clearly identified need
- ❖ Trying to force an idea down the throats of others
- ❖ Events associated with previous bad history
- ❖ Appeals based on misinformation, or guilt
- ❖ Events which invade privacy or dignity of others

Informal Unit Funds may be used for the following:

- Office supplies for the Family Readiness Group, NOT available from the unit. AR 608.-1, App J, authorizes the unit to provide the FRG with routine supplies (paper, pens, pencils, paper clips, etc.). You may buy additional office supplies not covered by unit supplies (colored paper, certificate paper, colored pencils/pens, etc.)
- Newsletter printing and mailing NOT covered
- Family Activities
- Fund-raising supplies
- Child care or Family Readiness Group meetings. Try and use teenagers. Many High Schools and Organizations (e.g. Scouts and 4H) require community service. If possible you may provide a letter stating the number of hours of provided service. If necessary to pay for a babysitter, then pay at the going rate for a babysitter in the local area (minimum wage may be a good starting point)
- Training aides
- Food and supplies for family functions (picnics and dinners, etc.). This is the only fund that can be used for food purchase

- Volunteer awards and recognition
- Generally, FRG members should accept donations for their goods and services. However, a specific minimum donation may be set for bake sales, craft fairs, and car washes.
- Rental of meeting rooms
- Membership fees to wholesale purchasing operations
- Entertainment
- Meetings (cookies, snacks, drinks)
- Magnets as Give-a-ways
- Room Rentals for Dances/Dinners
- Any authorized expense approved by the commander (on advice of the ethical counselor) in advance and in accordance with the spending plan

Informal Unit Funds **may not** spend money on:

- Activities that do not benefit the entire FRG membership
- Alcohol
- Individual Loans
- MWR
- Army equipment
- Charity
- Traditional Military Gifts (such as soldier farewell gifts, that are not related to family readiness)

#### BOTTOM LINE

Fundraising is NOT the purpose of the FRG; it is a means to an end, but not the end goal of self-reliant families. The FRG is not a needy organization and should not be promoted or perceived that way. Fundraising is a great way to involve FRG members and provide a great social environment.

## Appendix A: Treasurer's Job Description & Sample Appointment Letter

### 1. Introduction

Develop and maintain simple recording procedures for funds generated by the Unit Family Readiness Group IAW existing regulations.

### 2. Major Duties and Responsibilities

a. Ensure the Commander has completed the Treasurer Appointment Letter. File the treasurer appointment letter in the unit's Family readiness binder and send a copy to the State Family Program Office.

b. Sign DD Form 2793 *Volunteer Agreement For Appropriated Fund Activities & Non Appropriated Fund Instrumentalities* and file the original in the unit's Family readiness binder. Send a copy to the State Family Program Office.

c. Open and maintain a non-interest bearing checking account with a minimum of two volunteer signatures. File IRS form SS4 to receive an EIN number for checking account, if not already accomplished, to avoid use of Social Security Number. Complete information can be found online at [www.irs.gov](http://www.irs.gov).

d. Maintain records of money earned or donated to the organization and record of how monies are spent as outlined in AR 608-1, Appendix J. Provide copy of records to unit commander, and keep original copies of all reports filed in the unit's Family readiness binder. Ensure account does not exceed \$10,000 and its use is limited to expenses consistent with the purpose and function of the fund.

e. Ensure payment of sales tax for items purchased. The Family Readiness Group is **not** considered a non-profit organization.

f. Promote the family program within the Guard and community whenever possible and assist in fundraising activities as needed.

g. Attend training to improve knowledge of position and the Family Readiness Program if available.

### 4. Chain of Command

Your FRG leader is the first person you should contact, then your Brigade FRSA and/or State FRA, then the Unit's Commander should you have questions or concerns. The New Jersey State Family Program Director is available for help and guidance.

### 5. Desired Qualifications

- a. Good mathematics skills and some record keeping knowledge would be an advantage
- b. Good personal character
- c. Displays attention to details

## **6. Benefits**

- a. Meeting other Family and Guard members.
- b. Opportunities to attend Family Readiness conferences and workshops and network with other Family Readiness volunteers state and nationwide.
- c. Gain a clear understanding of the Family Readiness Program and the New Jersey National Guard thereby improving family preparedness for mobilization.
- d. Improve/increase bookkeeping skills for present or future job opportunities.

## **7. Training**

Training will be accomplished as needed. However, your Brigade FRSA and the State FRA are available to provide training upon written request.

## **8. Time Required**

- a. Anywhere from an hour or two on up to twenty hours per month. The actual hours are highly dependent on the size of the FRG and how active the FRG leaders are in running the FRG.
- b. One year commitment highly encouraged and desired.

**New Jersey Nat'l Guard Unit**  
**Unit Street Address**  
**Unit Phone Number**

*Date*

MEMORANDUM FOR RECORD

SUBJECT: FRG Treasurer and Alternate Treasurer Appointments

1. The following personnel have been appointed as the *Unit Name* FRG Treasurer and Alternate Treasurer:

Treasurer:

Alternate Treasurer:

2. The designated personnel will hold their appointed positions until further notice, or properly relieved, or upon receipt of a written request for resignation.

3. Any questions or concerns can be directed at me *Contact Information*.

*Name*  
CPT, OD, USA  
Commanding

## Appendix B: Sample Audit Letter

New Jersey Nat'l Guard Unit  
Unit Street Address  
Unit Phone Number

*Date*

I appoint the following FRG unit members as the audit committee for our family Readiness group funds account for calendar year \_\_\_\_\_ (or transitional audit date).

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### AUDIT COMMITTEE TASKS:

1. Audit Committee sets a date for the audit and is provided the necessary accounts and documentation.
2. Review all bank statements and account deposits, disbursements and balances. Assure that all accounting is accurate and complete the audit within a reasonably short period of time.
3. Verify that all checks have been signed with multiple signatures.
4. Verify that all disbursements have been approved at FRG meetings and recorded in the FRG meeting minutes.
5. Review quarterly reports; assure that the Unit Commander and State Family Programs Office have received copies, and that each report is accurate in its accounting.
6. Prepare an Audit Report that reflects the Committee findings and submit copies, signed by each committee member, to the Unit Commander, the FRG Leader, Secretary, Treasurer, and the State Family Programs Office.
7. Discrepancies and/or recommendations should be recorded on a separate memorandum attached to the audit report form.
8. Return all accounting records and the checkbook to the FRG Treasurer.
9. Return FRG meeting minutes to the FRG Secretary.

\_\_\_\_\_  
Commander's signature

22

## **FAMILY READINESS GROUP ANNUAL AUDIT REPORT**

\_\_\_\_\_  
NAME OF FRG TREASURER

\_\_\_\_\_  
DATE

<b>ITEMS OF INSPECTION</b>	<b>DATE</b>
All financial accounting is accurate and up to date.	
All checks have multiple signatures.	
FRG meeting minutes reflect all account expenditures as approved by the FRG.	
Quarterly reports are accurate in accounting for all funds.	
Discrepancies and recommendations are noted in a memorandum that is attached to this report.	
This audit has been completed in a timely fashion. All records have been returned to the FRG's Treasurer, Secretary, and copies distributed as indicated below.	

AUDIT COMMITTEE MEMBER SIGNATURES

DATE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Provide a copy of this report to:

1. Unit Commander (Original Copy)
2. FRG Treasurer
3. FRG Leader
4. FRG Secretary
5. State Family Programs Office

## FAMILY READINESS GROUP TRANSITION AUDIT REPORT

\_\_\_\_\_  
NAME OF FRG TREASURER

\_\_\_\_\_  
NAME OF NEWLY APPOINTED TREASURER

\_\_\_\_\_  
DATE

ITEMS OF INSPECTION	DATE
All financial accounting is accurate and up to date.	
All checks have multiple signatures.	
FRG meeting minutes reflect all account expenditures as approved by the FRG.	
Quarterly reports are accurate in accounting for all funds.	
Discrepancies and recommendations are noted in a memorandum that is attached to this report.	
This audit has been completed in a timely fashion. All records have been returned to the FRG's Treasurer, Secretary, and copies distributed as indicated below.	

AUDIT COMMITTEE MEMBER SIGNATURES

DATE

\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_

\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_

Provide a copy of this report to:

1. Unit Commander (Original Copy)
2. FRG Treasurer
3. FRG Leader
4. FRG Secretary
5. State Family Programs Office



## Appendix C: Sample Fundraising Letter/Checklist

NOTE: Email requests and coordination are allowed. Keep a copy of relevant emails and replies for your finance file.

"UNIT"  
FAMILY READINESS GROUP  
Address  
City, State, Zip Code

Date

Commander  
New Jersey National Guard Unit FRG is attached to  
Address  
City, State, Zip

Dear \_\_\_\_\_,

Your FRG requests your approval to hold a fund-raising activity. We are planning a "Unit Garage Sale" to be held in the armory.

We will sell to Guard members and families of the \_\_\_\_\_ (unit) and will substantiate that the items being sold are in good taste. We will clean the armory after this event.

The funds raised will be used to pay for our annual Holiday Party held at the armory during our December Drill.

We have discussed this matter with \_\_\_\_\_, our unit military point of contact, and he/she has agreed to be present at the armory.

This activity will strengthen our unit Family Readiness Group. We request your approval by endorsement.

Sincerely,

\_\_\_\_\_  
FRG Leader  
Family Readiness Group

***FUNDRAISING ACTIVITY CHECKLIST***

<i>Activity</i>	<i>Date Completed</i>	<i>Activity</i>	<i>Date Completed</i>
1. Develop Plan of Action		8. Timeline (Date for Completion)	
2. Approval of Commander		9. Awareness (Advertising if Required)	
3. Volunteers to Help		10. Facility Usage (Armory or other Site)	
4. Volunteer Agreement - Signed and on File		11. Task Assignments (given to teams or individuals)	
5. Budget Planned for Activity		12. Child Care	
6. Approval for Use of Site for Activity		13. Evaluations (complete evaluation forms)	
7. Alternate Plan		14. Recognize Volunteers and Supporters	

**Other: (list items here)**

## ***ACTIVITY BUDGET FORM***

**1. How is activity going to be funded:**

---

---

**2. Fund-raising involved:** Date of Commander Approval: \_\_\_\_/\_\_\_\_/\_\_\_\_ Copy of  
Commander Approval Letter on File: \_\_\_\_ Yes or \_\_\_\_ No

Type of Fund-raising Activity:

---

Date of Fund-raising Activity:

---

**3. Estimated/Actual Cost of Items Necessary for Activity:**

Item	\$
Item	\$
Item	\$
Item	\$
Total Cost	\$

**4. Designated Sale Price of Each Item:**

Item	\$
Item	\$
Item	\$
Item	\$
Total Cost	\$

**5. Plan for Payment of Cost Involved:** Minutes of FRG meeting directing Treasurer to pay for  
items out of the FRG account, fundraising items to be donated. Other:

---

---

---

---

<b>6. Budget Summary:</b> Beginning Account Balance:	\$ _____
Anticipated Income:	\$ _____
Anticipated Expenses:	\$ _____
Anticipated Deposit in Bank:	\$ _____

## **Appendix D: Sample Transfer of Responsibility Letter**

**(This is a funds accountability letter only - *not* a Treasurer's appointment letter)**

I, *{Name of Outgoing Treasurer}*, have as of *{Date}* transferred *{ \$ Amount }* of the *{Name of Family Readiness Group Fund}*, to *{Name of Incoming Treasurer}* who replaces me as Treasurer.

*{Name of New Treasurer}* has the authority to draw on the funds deposited in *{Name of Financial Institution}* under account number *{Account Number}*.

Our signatures appear below:

---

Signature of Outgoing Treasurer

---

Phone Number

---

Address

---

Signature of Incoming Treasurer

---

Phone Number

---

Address

---

Signature of Unit Commander or MPOC

## Appendix E: Sample Donation Acknowledgement Letter

*{Name of Family Readiness Group}*  
Unit Address  
City State Zip

Date

*{Name of Donor (Person, Business, Organization, etc.)}*  
Donor Address  
City State Zip

Dear *{Name of individual Donor, Business or Organization Point of Contact}*,

Regarding your generous donation of the following:

*(If cash and/or check, write the actual amount above otherwise list the item or services provided. Do not indicate dollar value for items or services - the donor can establish value for items or services in consultation with their accountant or an IRS representative.)*

Our *{Name of Family Readiness Group}* gratefully acknowledges your contribution. Your contribution will assist us in accomplishing our goal of *{Name Goal or Use for Donation}*.

Thank you for your valuable assistance.  
Sincerely,

*{FRG Leadership Signature Block}*

## Appendix F: Sample Quarterly Financial Report

### QUARTERLY FRG FINANCIAL REPORT

**1. Account Balance** for quarter *{insert dates}* as of: \_\_\_\_/\_\_\_\_/\_\_\_\_

**2. Account Deposits:**

Date	Check #	Item	Amount	Date	Check #	Item	Amount
			\$				\$
			\$				\$
			\$				\$
			\$				\$
			\$				\$
			\$				\$
			\$				\$

Total Deposits \$ \_\_\_\_\_  
Sub-Total (Balance + Deposits) \$ \_\_\_\_\_

**3. Account Disbursements:**

Date	Check #	Item	Amount	Date	Check #	Item	Amount
			\$				\$
			\$				\$
			\$				\$
			\$				\$
			\$				\$
			\$				\$
			\$				\$

Total Disbursements: \$ \_\_\_\_\_

**4. Current Balance** (Sub-total Minus Disbursements) \$ \_\_\_\_\_

\_\_\_\_\_  
Signature of FRG Treasurer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Unit of FRG

\_\_\_\_\_  
Name of Bank

\_\_\_\_\_  
Bank Account Number

\_\_\_\_\_  
Employer ID Number

\_\_\_\_\_  
Location of Bank

## APPENDIX G: Sample FRG SOP Letter

### DEPARTMENT OF THE ARMY

Organization Name

Organization Address

City, State, Zip

(Office Symbol)

(Date)

MEMORANDUM *FOR (NAME OF UNIT)* FAMILY READINESS GROUP

SUBJECT: Family Readiness Group (FRG) Informal Fund Standard Operating Procedures (SOP)

1. References:

- a. AR 1-100, Gifts and Donations
- b. AR 600-20, Command Policy
- c. AR 600-29, Fundraising within the Department of the Army
- d. AR 608-1, Army Community Service
- e. DOD 5500.7-R, Joint Ethics Regulations

2. Purpose. Provide procedures for managing the FRG Informal Funds.

3. Summary. The FRG informal fund is for the benefit of the *(name of unit)* FRG members only and is established exclusively for charitable purposes and to provide support to Soldiers and family members as they adapt to Army life. It is not a business and is not being run to generate profits. It is not an instrumentality of the United States Government.

4. Scope. This SOP applies to the *(name of unit)* Family Readiness Group which is comprised of all Soldiers, civilians, volunteers and family members assigned to the unit.

5. Commander/Rear Detachment Commander Authorizations:

- a. I authorize the FRG to maintain one informal fund.
- b. I designate a fund custodian (treasurer) to be NAME, and an alternate, to be NAME.
- c. I authorize the opening of one FRG informal funds bank account and designate NAME and NAME to sign checks drawn on the account.
- d. I am requiring/not requiring the FRG informal fund to be bonded.
- e. All fundraising requests must be presented to me, with a complete plan on why the funds are needed, and for what purpose. In no event will fundraising be authorized if the informal fund account has reached the annual income cap of \$10,000 or the account balance is \$10,000.

6. FRG Leader acknowledges: I acknowledge that the FRG informal fund SOP has been approved by the unit commander and a majority of the FRG members and signed by me, the fund custodian (treasurer), and the alternate fund custodian on DATE.

7. FRG Treasurer and Alternate acknowledge:

a. I will manage the FRG Informal Fund, and ensure that all deposits and expenditures are accurate, timely, and complies with all Army policies, including AR 608-1, and the Joint Ethics Regulations.

b. I understand that I may be personally liable for any loss or misuse of FRG informal funds.

c. I have established a non- interest bearing bank account under the FRG's name, as approved by the Commander. (or it was established on DATE, and has since been ratified by the Commander on DATE).

d. I am responsible for preparing an informal fund report for the unit commander at the end of each quarter. The report will summarize the informal fund's financial status, to include current balance, total income, and an itemized list of expenditures along with an explanation showing how the expenditures are consistent with the purpose of the FRG informal fund as established in this SOP.

e. I will prepare an annual informal fund annual report for the unit commander and *Brigade commander (or first 06 in the unit's chain of command)*. The annual report will summarize the informal fund's financial status at the end of the calendar year, to include current balance, total income, and an itemized list of all expenditures made during the year, along with an explanation showing how the expenditures were consistent with the purpose of the FRG informal fund as established in this SOP. The annual report is due to the *(Brigade commander)* no later than 30 January of each year.

8. Procedures. The FRG formally agrees on the use of the FRG funds.

a. The FRG's informal fund purpose and function are to provide support and recognition to FRG members during the deployment cycle. The funds are to be used to provide meals and refreshments at FRG meetings, to fund FRG family social events. The use of FRG informal funds is to support the entire FRG family, and is not for Unit social events whereby the entire family is normally not included. *(Note: This is a sample only. The FRG members must develop the purpose and use of funds sentence.)*

b. All expenditures must be consistent with the provisions listed in this SOP, Army values, and AR 608-1, Appendix J.

c. FRG informal funds may not be deposited or mixed with appropriated funds, unit MWR funds, unit informal funds (cup and flower funds), or any individual's personal funds.



- d. Estimated costs for future planned events will be earmarked within the ledger.
- e. The FRG has been provided this SOP annually on DATE, and has approved its contents by a majority vote.

9. Informal Fund Account Management.

a. Expenditures.

- (1) The FRG volunteer officers are NAME, NAME NAME. (Identify every officer by name and the dates they started volunteering for the FRG).
- (2) FRG officers (leader, co-leader, secretary, and treasurer/alternate) must approve all expenditures of FRG Funds in advance.
- (3) The treasurer will pay all expenditures with a check, when possible. The Treasurer/alternate and one other FRG volunteer officer will sign all checks, (i.e., leader, coleader, treasurer, secretary).
- (4) A written receipt will be maintained for two years for all expenditures.
- (5) The treasurer/alternate will list all checks and subtract them from the check register balance immediately after writing the check.

b. Deposits.

- (1) The treasurer or alternate will deposit all income received within one business day of receipt.
- (2) Deposit receipts will be maintained for two years.
- (3) Checking Account Reconciliation.
- (4) The treasurer will reconcile the checking account with the bank statement within three days of receipt. A second FRG volunteer officer, NAME and in the alternate, NAME, will also reconcile and initial the bank statement.
- (5) Errors identified will be resolved immediately. The Treasurer will report any errors that cannot be resolved to the FRG Leader.
- (6) The Treasurer will prepare a financial statement monthly for each FRG meeting and for the commander, or upon request, following the procedures listed in reference (a).

10. Fundraising Requests. Note: Unit Commanders should be able to document that they have established the FRG infrastructure as required IAW AR 608-1, Appendix J prior to authorizing

their FRGs a fundraising event. Unit Commander certifies prior to approving FRG informal fundraising that:

a. Volunteer support for the FRG is identified and volunteers have been registered IAW AR 608-1.

b. Volunteer position descriptions are on file, volunteers are trained or subject to a training schedule.

c. The FRG Budget SOP has been established for the FY and has been reviewed with FRG officers.

d. FRG meetings are regularly scheduled (whether quarterly, semi-annually, or monthly, depending upon deployment); meetings are well attended by both enlisted and officer families.

e. Command has scheduled the following classes for FRG members through ACS:  
NAME CLASS and DATE (if ACS has classes available)

f. FRG newsletters have been published and distributed on DATE DATE DATE.

g. Families requiring additional support have been identified.

h. Resources have been deployed to assist those families which require additional support (ACS, ASAP, SWS, AER, etc)

i. The FRG informal cup and flower fund has not received a total of \$10,000 this calendar year, nor is the balance approaching \$10,000.

j. Fundraising request must be for a specific purpose. Raising funds to purchase meals and refreshments for use at FRG meetings may be authorized. Raising funds to alleviate the costs of the Unit Ball for enlisted is not authorized for the FRG informal fund.

k. Fundraisers may take place on-the-garrison only.

l. Fundraising dates should not conflict substantially with CFC or AER fundraising dates.

m. Fundraising requests must go through the servicing legal office, ethics counselor prior to being approved.

n. Once the Unit Commander approves the FRG informal fund request to fundraise, normal Garrison Commander rules regarding the processing of all fundraising requests must be followed.

o. FRG members may never engage in fundraising off-Garrison.

## 11. FRG Fund Cap.

- a. Gross annual receipts (income) for the FRG Informal Fund cannot exceed \$10,000 from all sources, i.e. fundraising, gifts, and donations.
  - b. The Informal Fund balance should not exceed \$10,000 at any one time. However, if the fund balance does exceeds \$10,000, then no additional income from fundraising, donations or gifts will be accepted until the start of the next year. Also, the FRG will start spending the money to bring it below the mandated fund cap.
  - c. Donations/Gifts. The Unit Commander may accept donations of money or tangible goods valued at \$1,000 or less into the FRG informal fund account following consultation with the servicing ethics counselor.
  - d. Offers of gifts and donations for military family support over \$1,000, should be referred to the Garrison Commander, for possible acceptance into the garrison's FRG Supplemental Mission Activity.
11. Files. Hard and soft copies of the SOP's will be maintained by the Commander, Family Readiness Group Deployment Assistant, Rear Detachment, FRG Leader, FRG Secretary, and FRG Treasurer.
12. The point of contact for this SOP is POC Name, Title, Phone number, email address.

COMMANDER'S NAME  
Rank, Branch, Component  
Commanding

## **Appendix H: FRG Funds and Fundraising Discussion**

Now let's talk a little bit more about the \$10,000 fundraising limit. The calendar year is 1 Jan through 31 Dec. Within that timeframe you are allowed to raise up to \$10,000 as long as the fundraising is budgeted against the activities the FRG has planned. By having a budget you will have a clear picture the activities the FRG wants to conduct and an estimated cost. Some activities are recurring (e.g. monthly FRG meetings) and others are infrequent or one-time (e.g. holiday party or spring party). You need authorization from the commander to conduct fundraising activities and knowing what it is you want will help you out immensely.

Let's say on 1 Jan you have \$0 in your bank. You know you want monthly meetings with \$125 worth of food and beverages and \$50 worth of childcare to provide childcare for those families with children. You know right off the bat that you need \$2100 for your monthly meetings. You can put in a request to your unit commander for fundraising of \$2100. In addition to the monthly meeting, you would like to provide a spring break family day which you estimate at \$2500 (includes food, beverages, childcare, hall rental, tents, etc.). You now are up to \$4600 of your \$10,000 yearly fundraising limit. Sometime during the summer, the FRG decides to hold a winter holiday party. The cost of renting a hall, equipment, food, entertainment, and childcare is estimated at \$3500. You are now up to \$8100 of estimated funds towards your \$10,000 yearly limit so you are good to go. You raised \$8100 in fundraising activities to cover your estimated costs.

Come 31 Dec you figured out that you only needed and spent \$6500 of the \$8100 you raised. This means that on 1 Jan of the next year, your bank account holds \$1600. You can **ONLY** raise \$8400 for the rest of the year as the \$10,000 yearly limit does not roll over. You plan to do more events and include several more parties and outings for your FRG in addition to the monthly meetings. By the end of summer you have spent the original \$1600 plus an additional \$8000 out of the original \$8400 of what you were authorized to raise and have \$400 left in the bank. You are done with fundraising. You have already raised your \$10,000 yearly limit and you can spend the \$400 up till 31 Dec. You cannot raise \$10,000, spend it, and then raise an additional \$10,000.

It becomes important to understand what the FRG wants to spend its money on and have a good and reasonable estimate of what things cost. You must resist the temptation to fund items not in keeping with the support and communication function of the FRG. Charitable work and soldier equipment are sources through other venues not through the FRG. It is clear from the above that an FRG cannot raise money just to raise money. For the vast majority of the FRG, the \$10,000 fundraising limit will never be an issue because of the size of the FRG.

## **APPENDIX I: EIN Application Sample**

EIN applications are relatively easy and straight forward. Form SS-4 can be downloaded from the IRS at [www.irs.gov](http://www.irs.gov). A sample SS-4 filled out is included below.

Most of the information comes straight from your Armory name and address. Be careful in reading the instructions and make sure you follow the “Opened a bank account” line of the instructions and not the “state or local agency” line.

Finally, make sure block 9a is checked “other” and filled in “Military Family Members” not the “Federal government/military box.”

Don’t forget to sign and date the application before sending it in to the IRS.

If you apply on line ensure you print out a copy of all your filled in paperwork and any information the IRS gives to you.

New Jersey National Guard Family Programs  
Treasurers Handbook 02 June 2010

Form <b>SS-4</b> (Rev. January 2010) Department of the Treasury Internal Revenue Service	<b>Application for Employer Identification Number</b> (For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.) <b>▶ See separate instructions for each line. ▶ Keep a copy for your records.</b>	OMB No. 1545-0003 EIN
Type or print clearly.	<b>1</b> Legal name of entity (or individual) for whom the EIN is being requested	
	<b>2</b> Trade name of business (if different from name on line 1)	<b>3</b> Executor, administrator, trustee, "care of" name
	<b>4a</b> Mailing address (room, apt., suite no. and street, or P.O. box)	<b>5a</b> Street address (if different) (Do not enter a P.O. box.)
	<b>4b</b> City, state, and ZIP code (if foreign, see instructions)	<b>5b</b> City, state, and ZIP code (if foreign, see instructions)
	<b>6</b> County and state where principal business is located	
	<b>7a</b> Name of responsible party	<b>7b</b> SSN, ITIN, or EIN
	<b>8a</b> Is this application for a limited liability company (LLC) (or a foreign equivalent)? <input type="checkbox"/> Yes <input type="checkbox"/> No	
	<b>8b</b> If 8a is "Yes," enter the number of LLC members	
	<b>8c</b> If 8a is "Yes," was the LLC organized in the United States? <input type="checkbox"/> Yes <input type="checkbox"/> No	
	<b>9a Type of entity</b> (check only one box). <b>Caution.</b> If 8a is "Yes," see the instructions for the correct box to check.	
<input type="checkbox"/> Sole proprietor (SSN) _____ <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation (enter form number to be filed) ▶ _____ <input type="checkbox"/> Personal service corporation <input type="checkbox"/> Church or church-controlled organization <input type="checkbox"/> Other nonprofit organization (specify) ▶ _____ <input type="checkbox"/> Other (specify) ▶ _____		
<input type="checkbox"/> Estate (SSN of decedent) _____ <input type="checkbox"/> Plan administrator (TIN) _____ <input type="checkbox"/> Trust (TIN of grantor) _____ <input type="checkbox"/> National Guard <input type="checkbox"/> State/local government <input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government/military <input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal governments/enterprises <input type="checkbox"/> Group Exemption Number (GEN) if any ▶ _____		
<b>9b</b> If a corporation, name the state or foreign country (if applicable) where incorporated	State	Foreign country
<b>10 Reason for applying</b> (check only one box)		
<input type="checkbox"/> Started new business (specify type) ▶ _____ <input type="checkbox"/> Hired employees (Check the box and see line 13.) <input type="checkbox"/> Compliance with IRS withholding regulations <input type="checkbox"/> Other (specify) ▶ _____		
<input type="checkbox"/> Banking purpose (specify purpose) ▶ _____ <input type="checkbox"/> Changed type of organization (specify new type) ▶ _____ <input type="checkbox"/> Purchased going business <input type="checkbox"/> Created a trust (specify type) ▶ _____ <input type="checkbox"/> Created a pension plan (specify type) ▶ _____		
<b>11</b> Date business started or acquired (month, day, year). See instructions.		<b>12</b> Closing month of accounting year
<b>13</b> Highest number of employees expected in the next 12 months (enter -0- if none). If no employees expected, skip line 14. <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <span>Agricultural</span> <span>Household</span> <span>Other</span> </div>		<b>14</b> If you expect your employment tax liability to be \$1,000 or less in a full calendar year and want to file Form 944 annually instead of Forms 941 quarterly, check here. (Your employment tax liability generally will be \$1,000 or less if you expect to pay \$4,000 or less in total wages.) If you do not check this box, you must file Form 941 for every quarter. <input type="checkbox"/>
<b>15</b> First date wages or annuities were paid (month, day, year). <b>Note.</b> If applicant is a withholding agent, enter date income will first be paid to nonresident alien (month, day, year) ▶		
<b>16</b> Check <b>one</b> box that best describes the principal activity of your business.		
<input type="checkbox"/> Construction <input type="checkbox"/> Rental & leasing <input type="checkbox"/> Transportation & warehousing <input type="checkbox"/> Health care & social assistance <input type="checkbox"/> Wholesale-agent/broker <input type="checkbox"/> Real estate <input type="checkbox"/> Manufacturing <input type="checkbox"/> Finance & insurance <input type="checkbox"/> Accommodation & food service <input type="checkbox"/> Wholesale-other <input type="checkbox"/> Retail <input type="checkbox"/> Other (specify)		
<b>17</b> Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided.		
<b>18</b> Has the applicant entity shown on line 1 ever applied for and received an EIN? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," write previous EIN here ▶		
Third Party Designee	Complete this section <b>only</b> if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.	
	Designee's name	Designee's telephone number (include area code) ( )
	Address and ZIP code	Designee's fax number (include area code) ( )
Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.		Applicant's telephone number (include area code) ( )
Name and title (type or print clearly) ▶		Applicant's fax number (include area code) ( )
Signature ▶		Date ▶

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 16055N

Form **SS-4** (Rev. 1-2010)

## Do I Need an EIN?

File Form SS-4 if the applicant entity does not already have an EIN but is required to show an EIN on any return, statement, or other document.<sup>1</sup> See also the separate instructions for each line on Form SS-4.

IF the applicant...	AND...	THEN...
Started a new business	Does not currently have (nor expect to have) employees	Complete lines 1, 2, 4a-8a, 8b-c (if applicable), 9a, 9b (if applicable), and 10-14 and 16-18.
Hired (or will hire) employees, including household employees	Does not already have an EIN	Complete lines 1, 2, 4a-6, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10-18.
Opened a bank account	Needs an EIN for banking purposes only	Complete lines 1-5b, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
Changed type of organization	Either the legal character of the organization or its ownership changed (for example, you incorporate a sole proprietorship or form a partnership) <sup>2</sup>	Complete lines 1-18 (as applicable).
Purchased a going business <sup>3</sup>	Does not already have an EIN	Complete lines 1-18 (as applicable).
Created a trust	The trust is other than a grantor trust or an IRA trust <sup>4</sup>	Complete lines 1-18 (as applicable).
Created a pension plan as a plan administrator <sup>5</sup>	Needs an EIN for reporting purposes	Complete lines 1, 3, 4a-5b, 9a, 10, and 18.
Is a foreign person needing an EIN to comply with IRS withholding regulations	Needs an EIN to complete a Form W-8 (other than Form W-8ECI), avoid withholding on portfolio assets, or claim tax treaty benefits <sup>6</sup>	Complete lines 1-5b, 7a-b (SSN or ITIN optional), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is administering an estate	Needs an EIN to report estate income on Form 1041	Complete lines 1-6, 9a, 10-12, 13-17 (if applicable), and 18.
Is a withholding agent for taxes on non-wage income paid to an alien (i.e., individual, corporation, or partnership, etc.)	Is an agent, broker, fiduciary, manager, tenant, or spouse who is required to file Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	Complete lines 1, 2, 3 (if applicable), 4a-5b, 7a-b (if applicable), 8a, 8b-c (if applicable), 9a, 9b (if applicable), 10, and 18.
Is a state or local agency	Serves as a tax reporting agent for public assistance recipients under Rev. Proc. 80-4, 1980-1 C.B. 581 <sup>7</sup>	Complete lines 1, 2, 4a-5b, 9a, 10, and 18.
Is a single-member LLC	Needs an EIN to file Form 8832, Classification Election, for filing employment tax returns and excise tax returns, or for state reporting purposes <sup>8</sup>	Complete lines 1-18 (as applicable).
Is an S corporation	Needs an EIN to file Form 2553, Election by a Small Business Corporation <sup>9</sup>	Complete lines 1-18 (as applicable).

<sup>1</sup> For example, a sole proprietorship or self-employed farmer who establishes a qualified retirement plan, or is required to file excise, employment, alcohol, tobacco, or firearms returns, must have an EIN. A partnership, corporation, REMIC (real estate mortgage investment conduit), nonprofit organization (church, club, etc.), or farmers' cooperative must use an EIN for any tax-related purpose even if the entity does not have employees.

<sup>2</sup> However, do not apply for a new EIN if the existing entity only (a) changed its business name, (b) elected on Form 8832 to change the way it is taxed (or is covered by the default rules), or (c) terminated its partnership status because at least 50% of the total interests in partnership capital and profits were sold or exchanged within a 12-month period. The EIN of the terminated partnership should continue to be used. See Regulations section 301.6109-1(d)(2)(ii).

<sup>3</sup> Do not use the EIN of the prior business unless you became the "owner" of a corporation by acquiring its stock.

<sup>4</sup> However, grantor trusts that do not file using Optional Method 1 and IRA trusts that are required to file Form 990-T, Exempt Organization Business Income Tax Return, must have an EIN. For more information on grantor trusts, see the Instructions for Form 1041.

<sup>5</sup> A plan administrator is the person or group of persons specified as the administrator by the instrument under which the plan is operated.

<sup>6</sup> Entities applying to be a Qualified Intermediary (QI) need a QI-EIN even if they already have an EIN. See Rev. Proc. 2000-12.

<sup>7</sup> See also *Household employer* on page 4 of the Instructions. **Note.** State or local agencies may need an EIN for other reasons, for example, hired employees.

<sup>8</sup> See *Disregarded entities* on page 4 of the Instructions for details on completing Form SS-4 for an LLC.

<sup>9</sup> An existing corporation that is electing or revoking S corporation status should use its previously-assigned EIN.

## APPENDIX J: References

The following are some of the regulations used in the Family Programs. Please take some time to look these up so you understand the regulations you are following. This handbook tries to condense and extract pertinent information but the regulations are the authority.

The following can be found at <http://www.army.mil/usapa/>

AR 1-100, *Gifts and Donations*

AR 600-20, *Command Policy*

AR 608-1, *Army Community Service, App J*

Army Directive 2008-01, *Increase In Family Readiness Group Informal Fund Cap*

AR 600-29, *Fundraising within the Department of the Army*

The following can be found at: <http://www.dtic.mil/whs/directives/index.html>

DoD 4525.8-M DoD Official Mail Management

DoD 5500.7-R The Joint Ethics Regulation

<http://www.dtic.mil/whs/directives/infomgt/forms/formsprogram.htm>

DD Form 1351, *Travel Voucher*

DD Form 2793, *Volunteer Agreement For Appropriated Fund Activities & Non Appropriated Fund Instrumentalities*

Information on EIN's and Form SS-4 can be found at [www.irs.gov](http://www.irs.gov)



## Appendix K: GLOSSARY OF TERMS

The Glossary of Terms to help you "TALK THE TALK" of a Treasurer. This list of terms is intended as a short summary of common terms. You may wish to identify additional terms and add them to the list.

**Allowable Rate:** Approved rate of reimbursement for a given category – usually determined by the USP&FO. Reimbursements are not routinely provided to volunteers. Statutory volunteers are eligible for reimbursement in conjunction with official duties as FRG leaders. Consult you JAG.

**Audit:** Annual (at a minimum) review of accounting procedures and balances of an account, by an appointed committee, designated by the Unit Commander.

**Cash:** The treasurer should never hold cash in hand, except at times of "fund-raising" when a "petty cash" account may temporarily be established. All funds should be managed through the FRG account.

**Child Care:** The cost of looking after a child or children. The amount paid is based on current local rates. However, many teens may be willing to provide babysitting services in exchange for letters of community service which many high schools and organizations require as a requirement to graduate.

**Commander:** For the purposes of this Handbook, Commander is the designated unit commander who has established an FRG. Should the commander be deployed long term then the designated Rear Det commander will handle the duties as outlined in this Handbook. Any commander other than the unit commander will be further identified (e.g. Garrison commander, Armory commander, etc.) if a commander other than the unit commander is required.

**Credit:** An entry recorded on the right side of the accounting register.

**Date:** The time at which a transaction occurs.

**Debit:** An expense which has occurred but yet paid.

**Deposit:** Money deposited in a bank.

**Donation:** A free contribution or gift given to the FRG from outside agencies or people. An FRG may choose to raise funds, with the Commander's approval, for a community organization that serves the best interest of service members and their families. The FRG cannot donate to other agencies or people outside of the FRG membership.

**Expense:** Cost associated with any project (i.e. supplies, equipment, material, etc.)

**Family Assistance:** A Unit and/or FRG response or referral or direct help to an individual or family in need.

**Family Readiness Group:** An officially sanctioned organization of officer and enlisted personnel and their family members (spouses, children, parents, brother, sister, significant other, etc.) that use volunteers to provide information and comprise a support network to provide information and comprise a support network to prepare families for times of separation due to mobilization.

**Fund-raising:** A Commander-approved FRG activity to raise funds to increase the FRG account balance.

**Income:** A gain or recurrent benefit. A measure of money derived from fund-raising, donations, etc.

**Military Point of Contact (MPOC):** A unit member that the Commander appoints as their representative.

**Payee:** One to whom money is to be paid.

**Rear Detachment Commander (see also Commander):** is the unit commander's representative at home station while the unit is deployed and is the FRG link to the deployed unit. All logistic support for FRGs (for example, meeting/conference rooms, vehicle use, office equipment and computers, newsletters, telephones, and volunteer support) is authorized by the rear detachment commander during deployment.

**Security:** Reasonable measures taken to assure that FRG funds are not accessible to unauthorized persons.

**Statutory Volunteer:** Statutory volunteers are volunteers who have signed a volunteer agreement and serve in an official capacity in direct support of the National Guard Family Program.

**Volunteer Agreement:** A DD Form 2793 *Volunteer Agreement For Appropriated Fund Activities & Non Appropriated Fund Instrumentalities*, signed by every FRG leader, indicating their understanding that the services and support are voluntary and not for pay. Signing this form, confirms their legal designation of VOLUNTEER should an accident or incident occur allowing coverage under the tort claims act. This precludes the individual from being sued, provided they are in compliance with the volunteer agreement and job description.

**Volunteer Reimbursement:** Reimbursement consistent with allowable rates guidance, based upon completed request and verifiable by receipt, i.e. telephone, travel, child care, etc. It is intended to reimburse statutory volunteers (i.e. FRG Leader, Treasurer, secretary, or as appointed by the commander).

VOLUNTEER AGREEMENT FOR				
<input type="checkbox"/> APPROPRIATED FUND ACTIVITIES		<input type="checkbox"/> NONAPPROPRIATED FUND INSTRUMENTALITIES		
<b>PRIVACY ACT STATEMENT</b>				
<p>AUTHORITY: Section 1588 of Title 10, U.S. Code, and E.O. 9397.</p> <p>PRINCIPAL PURPOSE(S): To document voluntary services provided by an individual, including the hours of service performed, and to obtain agreement from the volunteer on the conditions for accepting the performance of voluntary service.</p> <p>ROUTINE USE(S): None.</p> <p>DISCLOSURE: Voluntary; however failure to complete the form may result in an inability to accept voluntary services or an inability to document the type of voluntary services and hours performed.</p>				
<b>PART I - GENERAL INFORMATION</b>				
1. TYPED NAME OF VOLUNTEER <i>(Last, First, Middle Initial)</i>		2. SSN		3. DATE OF BIRTH <i>(YYYYMMDD)</i>
4. INSTALLATION		5. ORGANIZATION/UNIT WHERE SERVICE OCCURS		
6. PROGRAM WHERE SERVICE OCCURS		7. ANTICIPATED DAYS OF WEEK	8. ANTICIPATED HOURS	
9. DESCRIPTION OF VOLUNTEER SERVICES				
<b>PART II - VOLUNTEER IN APPROPRIATED FUND ACTIVITIES</b>				
<p>10. CERTIFICATION</p> <p>I expressly agree that my services are being provided as a volunteer and that I will not be an employee of the United States Government or any instrumentality thereof, except for certain purposes relating to compensation for injuries occurring during the performance of approved volunteer services, tort claims, the Privacy Act, criminal conflicts of interest, and defense of certain suits arising out of legal malpractice. I expressly agree that I am neither entitled to nor expect any present or future salary, wages, or other benefits for these voluntary services. I agree to be bound by the laws and regulations applicable to voluntary service providers and agree to participate in any training required by the installation or unit in order for me to perform the voluntary services that I am offering. I agree to follow all rules and procedures of the installation or unit that apply to the voluntary services I will be providing.</p>				
a. SIGNATURE OF VOLUNTEER			b. DATE SIGNED <i>(YYYYMMDD)</i>	
11.a. TYPED NAME OF ACCEPTING OFFICIAL <i>(Last, First, Middle Initial)</i>	b. SIGNATURE		c. DATE SIGNED <i>(YYYYMMDD)</i>	
<b>PART III - VOLUNTEER IN NONAPPROPRIATED FUND INSTRUMENTALITIES</b>				
<p>12. CERTIFICATION</p> <p>I expressly agree that my services are being provided as a volunteer and that I will not be an employee of the United States Government or any instrumentality thereof, except for certain purposes relating to compensation for injuries occurring during the performance of approved volunteer services and liability for tort claims as specified in 10 U.S.C. Section 1588(d)(2). I expressly agree that I am neither entitled to nor expect any present or future salary, wages, or other benefits for these voluntary services. I agree to be bound by the laws and regulations applicable to voluntary service providers, and agree to participate in any training required by the installation or unit in order for me to perform the voluntary services that I am offering. I agree to follow all rules and procedures of the installation or unit that apply to the voluntary services that I am offering.</p>				
a. SIGNATURE OF VOLUNTEER			b. DATE SIGNED <i>(YYYYMMDD)</i>	
13.a. TYPED NAME OF ACCEPTING OFFICIAL <i>(Last, First, Middle Initial)</i>	b. SIGNATURE		c. DATE SIGNED <i>(YYYYMMDD)</i>	
<b>PART IV - TO BE COMPLETED AT END OF VOLUNTEER'S SERVICE BY VOLUNTEER SUPERVISOR</b>				
14. AMOUNT OF VOLUNTEER TIME DONATED				15. SIGNATURE
a. YEARS <i>(2,087 hours = 1 year)</i>	b. WEEKS	c. DAYS	d. HOURS	16. TERMINATION DATE <i>(YYYYMMDD)</i>
17.a. TYPED NAME OF SUPERVISOR <i>(Last, First, Middle Initial)</i>		b. SIGNATURE		c. DATE SIGNED <i>(YYYYMMDD)</i>

DD FORM 2793, FEB 2002

PREVIOUS EDITION IS OBSOLETE.

Reset

Exception to Standard Form 50 granted by Office of Personnel Management (OPM) waiver.

## **Appendix J**

### **Army Family Readiness Group Operations**

#### **J-1. Concept and purpose**

*a.* The FRG is a unit commander's program formed in accordance with AR 600-20. Normally FRGs will be established at the company level, with battalion and brigade levels playing an important advisory role. FRGs are not a morale, welfare, and recreation program; a NAFI: a private organization; or a nonprofit organization.

*b.* An FRG is a command-sponsored organization of Soldiers, civilian employees, family members (immediate and extended) and volunteers belonging to a unit. FRGs will provide mutual support and assistance, and a network of communications among the family members, the chain of command, and community resources. FRGs will assist unit commanders in meeting military and personal deployment preparedness and enhance the family readiness of the unit's Soldiers and families. They will also provide feedback to the command on the state of the unit "family."

*c.* Family readiness is the mutual reinforcement and support provided by the unit to Soldiers, civilian employees, and family members, both immediate and extended.

*d.* The rear detachment commander is the unit commander's representative at home station while the unit is deployed and is the FRG link to the deployed unit. All logistic support for FRGs (for example, meeting rooms, nontactical vehicle use, office equipment and computers, newsletters, telephones, and volunteer support) is authorized by the rear detachment commander during deployment.

*e.* The garrison ACS Center and RC Family Programs Office will assist unit commanders in establishing successful FRGs by providing expertise, classes, training, and support to FRGs and the FRG leadership, as outlined in AR 608-1.

*f.* Unit commanders will ensure that their FRGs appeal to all service members, civilians, and family members regardless of rank structure or family size, composition, language spoken, and other characteristics. Commanders will seek FRG leaders who are particularly adept at energizing both officer and enlisted corps' families. FRGs that do not reflect their unit's demographics or have a high level of family participation will be reevaluated to address impediments that exist toward creating a balanced and representational FRG. Typical issues could be FRG meeting times, unmet child care needs, FRG activities that do not match FRG member needs, FRGs that do not provide training programs relevant to FRG family needs, and other family support issues.

## J-2. Family readiness group roles and functions

- a. The FRG mission is to—
  - (1) Act as an extension of the unit in providing official, accurate command information.
  - (2) Provide mutual support between the command and the FRG membership.
  - (3) Advocate more efficient use of available community resources.
  - (4) Help families solve problems at the lowest level.
- b. The type and scope of FRG mission activities will depend on a number of factors such as—
  - (1) The Commander's budget for FRG mission activities.
  - (2) The identified needs of unit Soldiers, civilian employees, and their families.
  - (3) Command interest and emphasis.
  - (4) The number of FRG members.
  - (5) The time, energy, and creativity of FRG membership.
  - (6) The makeup of the FRG, including the percentages of single Soldiers, number of years Soldiers and their families have served with the military, number of families with young children, and other family composition factors.
  - (7) The unit's training and deployment schedule.
- c. FRGs are official DA programs established pursuant to AR 600-20. FRG mission activities and appropriated fund expenditures are subject to DOD 5500.7-R, DOD 7000.14-R, 31 USC 341, and all other applicable statutory and regulatory restraints on official activities, use of appropriated funds, and fundraising.
- d. Certain FRG mission activities are essential and common to all FRGs. They include FRG member meetings, FRG staff and committee meetings, publication and distribution of FRG newsletters, maintenance of updated family rosters and family readiness information, establishment of FRG member telephone trees and e-mail distribution lists, and scheduling educational briefings for FRG members. FRG activity level can vary depending on unit mission and on whether the unit is in pre- or postdeployment, deployed, or in a training/sustainment period at the home station.
- e. FRG social activities can enhance family and Soldier camaraderie, provide stress relief, and reduce family loneliness during deployments. Social activities will not be funded using appropriated funds. FRG members may use money contained in an FRG informal fund to pay for social activities described in paragraph J-7.

## J-3. Resources

FRG mission-essential activities are supported using the unit's appropriated funds, excluding BA11/OPTempo. FRG mission-essential activities authorized appropriated fund support may not be supported with NAFs. FRG mission-essential activities may not be augmented with private money. Such augmentation may be a violation of 31 USC 1345. FRG appropriated fund resources may not be used to support private organization activities, internal fundraisers, or commercial ventures.

- a. *Government office space and equipment.* FRGs may use Government office space, computer and office equipment, faxes, e-mails, scanners, and so on to support the FRG mission.
- b. *Paper and printing.* FRGs may use Government paper and printing supplies to publish FRG newsletters to relay information from the command and to support any FRG mission activity. Commanders will decide how frequently newsletters will be published. Each unit will have a standard operating procedure (SOP) on the preparation, printing, and distribution of FRG newsletters. FRG newsletters may be distributed by the Army or installation post office or via e-mail to FRG members.
- c. *Army and installation post offices and official mail.* FRGs are authorized to use official mail for official, mission-related purposes and as approved by the unit commander.
  - (1) Unofficial information may be included in an official FRG newsletter, provided: it does not exceed 20 percent of the printed space used for official information; it does not increase printing and mailing costs to the Government; and it does not include personal wanted-for sale advertisements. The FRG newsletter must state whether it contains only official information or both official and unofficial information.
  - (2) If the newsletter contains both types of information, it will include the following statement: "The inclusion of some unofficial information in this FRG newsletter has not increased the costs to the Government, in accordance with DOD 4525.8-M."
- d. *Government vehicles.* In accordance with AR 58-1, the unit commander may authorize Government vehicle use in support of official FRG activities, including the transportation of FRG members for FRG mission-related activities. Government vehicles may be used to support official FRG activities when—
  - (1) The appropriate commander determines that the use of the vehicle is for official purposes and that failure to provide such support would have an adverse effect on the FRG mission.
  - (2) The driver has a valid and current license to operate the vehicle and all other regulatory requirements regarding the use of the Government vehicle have been followed.
  - (3) The use of the vehicle can be provided without detriment to the accomplishment of the unit's mission.
- e. *Child care.* Depending on availability of funds, unit commanders may authorize appropriated funds for—
  - (1) Childcare for command-sponsored training in accordance with AR 608-10, paragraphs 3-2 and 3-4.



(2) Needed family support, including child care, education, and other youth services for Armed Forces members who are assigned to duty or ordered to active duty in conjunction with a contingency operation (see 10 USC 1788(b), DODD 1342.17, and DODI 1342.22).

*f. Statutory volunteers.* The unit commander may accept statutory volunteer labor to support the FRG mission, as described in paragraph J-4 and in accordance with this regulation. However, FRG volunteers are not considered statutory volunteers when they are participating in social or fundraising activities and are not entitled to reimbursement for incidental expenses during this period of time.

#### **J-4. Volunteers**

*a. Volunteers.* The Soldier and Family Readiness System relies heavily on the support of a professional volunteer cadre. Unit commanders may staff their FRGs with volunteers, as provided in chapter 5 of this regulation and in accordance with 10 USC 1588.

(1) FRG volunteers in leadership and key roles, such as the FRG leader, treasurer, key caller, and welcome committee chair, must in-process through the local ACS Center for the Active Component or through the RC Family Programs Office. Commanders will ensure their volunteers are supervised in the same manner as an employee, that they have a position description, and that they have followed all other legal and regulatory requirements in accordance with chapter 5 of this regulation and 10 USC 1588.

(2) The local ACS center, RC Family Programs Office, or Army Volunteer Corps Coordinator (AVCC) will provide unit commanders or their designees with expert guidance on the Army Volunteer Corps Program. They will provide commanders with standard FRG volunteer position descriptions and answer volunteer questions. The unit commander will ensure that the AVCC is provided the FRG volunteers' work hours monthly to track volunteerism within their areas of responsibility and for volunteer recognition purposes.

(3) FRG volunteers are authorized to use Government facilities to accomplish their assigned duties. This includes the use of office and meeting spaces; telephone, computer, e-mail, and copying equipment; administrative supplies; administrative and logistical support; and additional equipment. Government computer use, including e-mail and internet use, is authorized for official FRG business only.

(4) To support official FRG activities, FRG volunteers may operate Government-owned or -leased nontactical vehicles with a gross vehicle weight of less than 10,000 pounds, provided they meet the licensing requirements set forth in AR 600-55.

*(a)* The authorization to drive a Government-owned or -leased nontactical vehicle will be included in the volunteer's position description.

*(b)* Vehicular accidents occurring while an FRG volunteer is operating a Government vehicle must be reported in accordance with AR 385-40.

*b. Funding for volunteer support.* Appropriated funds may be used to support FRG volunteers, with command preapproval and funding availability. Appropriated funds for volunteer support may be used for—

(1) Training and travel expenses. Commanders may, at their discretion, authorize payment for travel and training of official statutory volunteers.

*(a)* Authorized FRG volunteer travel may include FRG volunteer visits to geographically dispersed members of the FRG in direct support of the FRG mission.

*(b)* Enrollment, travel, per diem, and other expenses may be funded for training to improve FRG volunteers' effectiveness or enable them to accept positions of increased responsibilities. Invitational travel orders are authorized, pursuant to the JFTR, appendix E, part I, paragraph A, and Secretary of the Army travel policy. Funding will depend on command preapproval and availability of funds.

(2) Reimbursement of incidental expenses. Unit commanders may budget for the reimbursement of official volunteer incidental expenses using appropriated funds for FRG volunteers, as authorized by this regulation and 10 USC 588. Volunteers may be provided reimbursement for incidental expenses (out-of-pocket expenses) such as child care, long-distance telephone calls, mileage, and other expenses incurred while supporting the FRG official mission, in accordance with chapter 5 of this regulation and DODI 1100.21 and the commander's FRG budget SOP (see paragraph J-6).

(3) Awards, recognition, and mementos. Appropriated funds will not be authorized or available for volunteer awards other than official certificates of recognition or volunteer incentive awards in accordance with AR 672-20. NAFs will be authorized for garrison volunteer recognition programs, awards, and banquets and to purchase mementos consistent with AR 215-1. Unit commanders will ensure that their FRG volunteers' hours are submitted monthly to the garrison AVCC and that FRG volunteers are recognized at garrison community volunteer recognition ceremonies.

*c.* Commanders may not authorize travel or the reimbursement of volunteer incidental expenses for members of their household or other persons that could present a potential conflict of interest (see DOD 5500.7-R). Commanders will forward these decisions to the next senior level officer within the commander's chain of command for determination. Commanders will seek guidance regarding specific ethics issues from their servicing ethics counselors.

#### **J-5. Family readiness group deployment support assistants/mobilization deployment assistants**

In the Active Army, commanders may authorize units to hire FRG deployment assistants who provide unit FRG administrative support services.

*a.* The FRG deployment assistant will coordinate training through local community resources and provide administrative collaboration between the rear detachment commander and the FRG leader. The FRG deployment assistants will not duplicate services or overlap existing resources in the military community.

*b.* The FRG deployment assistant works for the unit commander, who will have day-to-day operational direction of the assistant's activities. The duties of the FRG deployment assistant will not conflict with the duties of the volunteer FRG leadership. The FRG deployment assistant will not be involved in FRG informal fundraising activities, casualty assistance procedures, suicide prevention activities, teaching family readiness training, family counseling, or other non-FRG official administrative support duties.

*c.* The Army National Guard may hire FRG assistants to assist the State Family Program Directors at Joint Force Headquarters, and the U.S. Army Reserve may hire mobilization and deployment assistants to assist the family programs directors at regional readiness commands.

#### **J-6. Budget process**

*a. FRG operations.* These are funded by the unit commander's appropriated funds, excluding BA11/OPTempo. Commanders will consider FRG mission activity requirements when planning their yearly budget. FRG budget needs vary widely and are highly dependent on location, the unit's mission and deployment situation, the composition of the FRG membership, and component.

*b. FRG budget SOPs.* Commanders will approve an SOP that describes the support available for FRG mission activities and the procedures for FRG leaders and volunteers to request support. FRG leaders must be familiar with the SOP. A sample SOP is included in Operation READY training materials.

*c. Government purchase card.* Commanders will use a Government purchase card to pay for FRG operating expenses, when practicable. For example, commanders may use their Government purchase card to purchase supplies, equipment, room rental, or any other approved item to support official FRG mission activities. The FRG budget SOP will include a requirement that FRG leaders fill out purchase request forms and submit them to the commander for approval. The SOP will also state the procedures for requesting reimbursement for incidental expenses for FRG volunteers.

#### **J-7. Family readiness group informal funds**

*a. Authorization.*

(1) Commanders may authorize their FRG to maintain one informal fund in accordance with AR 600-20. No more than one FRG informal fund per unit may be authorized. Informal funds are private funds generated by FRG members that are used to benefit the FRG membership as a whole. FRG informal funds may not be deposited or mixed with appropriated funds, unit MWR funds, the unit's cup and flower funds, or any individual's personal funds. The expenditure of informal funds will be consistent with Army Values, DOD 5500.7-R, and AR 600-20.

(2) Examples of authorized use of informal funds include FRG newsletters that contain predominantly unofficial information and purely social activities, including, but not limited to, parties; social outings, volunteer recognition (not otherwise funded with APFs), and picnics.

(3) Examples of unauthorized use of FRG informal funds include augmenting the unit's informal funds (the unit's cup and flower funds); purchasing items or services that are authorized be paid for with appropriated funds; purchasing traditional military gifts, such as Soldier farewell gifts that are not related to family readiness; and funding the unit ball.

*b. Fund custodian.* The unit commander will sign a letter designating a fund custodian (treasurer) and an alternate. The fund custodian and alternate must not be the unit commander, a deployable Soldier, or the FRG leader. The fund custodian is responsible for informal fund custody, accounting, and documentation.

(1) The FRG informal fund custodian and alternate are personally liable for any loss or misuse of funds.

(2) After designation of the informal fund custodian, the custodian may establish a noninterest bearing bank account under the FRG's name (never the individual's name). The commander will authorize opening the account and prepare a letter naming the fund's custodian and alternate as persons authorized to sign checks drawn on the account. The commander will not be a signatory on the account.

(3) The informal fund custodian will provide informal fund reports to the unit commander monthly and as requested. An annual report on the FRG informal fund activity will be provided to the first colonel (O6) commander or designee in the unit's chain of command no later than 30 days after the end of the calendar year. These reports will summarize the informal fund's financial status, to include current balance, total income, and an itemized list of expenditures along with an explanation showing how the expenditures are consistent with the purpose of the FRG informal fund as established in the SOP.

(4) Although not required, commanders may consider requiring the FRG informal fund to be bonded in accordance with the procedures of AR 210-22, paragraph 3-2b.



c. *The FRG informal fund SOP.* All FRG informal funds will have an SOP. This document memorializes the FRG members' determination of the purpose of the FRG informal fund. The SOP may be a one-page document and must include—

- (1) The FRG name.
- (2) A description of the FRG's informal fund purpose and functions and a summary of its routine activities. For example, "The FRG's informal fund purpose and function are to provide support and recognition to FRG members during the following life events: births, birthday parties, new member welcome parties, departing member farewell parties, holiday parties, and so on."
- (3) The following statement must be included in the FRG informal fund SOP: "This FRG informal fund is for the benefit of the FRG members only and is established exclusively for charitable purposes and to provide support to Soldiers and family members as the Soldiers and families adapt to Army life. It is not a business and is not being run to generate profits. It is not an instrumentality of the United States Government."
- (4) The FRG informal fund SOP must be approved by the unit commander and a majority of the FRG members. It will be signed at a minimum by the FRG leader, the fund custodian (treasurer), and the alternate fund custodian. (A sample informal fund SOP is included in Operation READY training materials.)

d. *Fundraising for FRG informal funds.* DOD 5500.7-R, paragraph 3-210(a)(6), authorizes official fundraising by organizations composed primarily of DOD or DA employees and their dependents when fundraising among their own members or dependents for the benefit of their own welfare funds. Fundraising will be approved by the appropriate commander after consultation with the DA ethics official or designee.

(1) An Army organization—including, but not limited to, units, installations, and FRGs—may officially fundraise from its own community members or dependents and from all persons benefiting from the Army organization. (For example, an installation may benefit from the brigade or unit FRG, thus permitting a brigade or unit FRG to fundraise throughout the installation.) Fundraising must be for the organization's informal fund, as opposed to a private charity, a particular military member, or a similar cause, and be approved by the commander with cognizance over the organization and coordinated with the commander with cognizance over the location of fundraising if different from the organization area. Commanders will consult with their Staff Judge Advocate or ethics counselor and avoid all conflicts with other authorized fundraising activities.

(2) Commanders may approve requests from FRG informal funds to conduct fundraising events in accordance with the requirements of DOD 5500.7-R as described above and in compliance with AR 600-29.

(3) Informal fundraising that occurs within the Army Reserve will have the approval of the unit commander and the servicing Staff Judge Advocate and/or ethics counselor. To address fundraising issues within the Army Reserve, refer to Army Reserve regulations.

e. *Informal fund cap.* FRGs are not established to raise funds, solicit donations, or manage large sums of money. They are not equipped to handle the complex tax ramifications and stringent accounting requirements that can result from excessive informal funds. FRG informal funds will therefore not exceed an annual gross receipt (income) cap of \$5,000 per calendar year from all sources, including fundraising, gifts, and donations. Unit commanders may establish a lower annual income cap.

(1) State and local laws and the requirements of Status of Forces Agreements may make a lower FRG informal fund cap necessary at some locations within or outside the continental United States. Commanders and fund custodians will consult their Staff Judge Advocates to ensure that FRG informal funds comply with all local requirements.

(2) FRG informal funds may only be raised and maintained for specific planned purposes consistent with the purpose of the informal fund. If the purpose of the fundraising event is inconsistent with the FRG informal funds SOP, commanders will not approve the fundraising event.

(3) The FRG informal fund ledger will reflect the costs earmarked for the planned event. For example, if an FRG is planning a holiday party with a planned cost of \$3,000, the ledger might reflect the following costs: dinner \$2,100; hall rental \$250; and band \$650.

f. *Gifts to FRG informal funds.* Unit commanders may accept an unsolicited gift or donation of money or tangible personal property of a value of \$1,000 or less for its FRG informal fund after consultation with the unit ethics counselor. Unsolicited gifts or donations to the FRG informal funds are considered income and impact the FRG informal fund annual income cap of \$5,000.

#### **J-8. Family readiness group external fundraising**

As an official activity of the DA, the FRG may not engage in external fundraising and may not solicit gifts and donations. However, in accordance with AR 1-100 and with the advice of the ethics counselor, commanders and FRG leaders may, in response to an appropriate inquiry, inform potential donors of the needs of the Army in relation to assisting Army families.

#### **J-9. Unsolicited donations to the Active Component**

a. Appropriate gift acceptance authorities may accept unsolicited gifts and donations made to the Army intended for FRG support; these donations will be added to the garrison's FRG supplemental mission account, pursuant to



paragraph 3-2a of this regulation and AR 215-1 after consultation with an ethics counselor. The director, MWR (DMWR) will assign these donations intended for FRG use to program code SA, department code "9J," to prevent disbursing donations intended for FRG use into another ACS mission or for any other purpose. These supplemental mission donations do not expire at the end of the fiscal year, and balances automatically roll over into the following fiscal year.

b. Acceptance authority levels for unsolicited gifts and donations to the FRG supplemental mission account will be in accordance with the rules governing gifts to NAFI in AR 215-1.

c. Supplemental mission donations are NAFs that may be used only to supplement the mission activity. They are not MWR NAFs. MWR NAFs may not be expended for FRG support. Commanders may use supplemental mission donations intended for FRGs for any purpose that the commander determines clearly supplements an established mission of the FRG so long as appropriated funds are not authorized. However, in accordance with the policies listed in chapter 5 of this regulation, supplemental mission donations may be used for reimbursement of statutory volunteer incidental expenses if appropriated funds are not available. The use must be consistent with this regulation and the provisions governing supplemental mission NAFs in AR 215-1 and DODI 1015.15.

(1) The first priority in using supplemental mission NAFs intended for FRGs is to encourage maximum attendance and participation at FRG meetings—for example, by providing food and refreshments. Using supplemental mission NAFs to support a unit ball is an example of an unauthorized expenditure because it fails to supplement an established mission of the FRG.

(2) Commanders may not authorize the use of supplemental mission NAFs for any purpose that cannot withstand the test of public scrutiny or which could be deemed a misuse or waste of funds. Using supplemental mission NAFs to fund a lavish cruise to promote "cohesion" among FRG members is an example of an excessive and inappropriate use of funds.

d. Supplemental mission NAFs are not informal funds. The provisions concerning informal funds contained in this regulation are inapplicable to supplemental mission NAFs. Supplemental mission NAFs will not be deposited into an FRG informal fund and will not impact the annual FRG informal fund income cap.

e. The DMWR will properly disburse supplemental mission donations intended for FRG support. The unit commander will submit an approved purchase request that includes a brief description of the item(s) requested, total funds required, dates the items are needed, and vendor or source of the items to be purchased to the DMWR for processing. The DMWR will disburse such supplemental mission donations between FRGs supported by that garrison's ACS Center, to include recruiting and the Army Reserve Component. Army National Guard units are not included for these supplemental mission accounts.

f. Garrison commanders may accept unsolicited gifts into the supplemental mission program when the donor intends the donation or gift to be used only in support of FRGs that are experiencing certain deployment cycle events, such as preparing for deployment, deployment, and redeployment. The DMWR will ensure that the supplemental mission donations are disbursed to FRGs whose Soldiers are experiencing the deployment cycle event stated in the donation. This ensures that the garrison fulfills the conditions of the gift which the commander accepted. For example, a donor intends a gift to be used "for the families of deployed Soldiers." The DMWR ensures only FRGs whose units have deployed Soldiers share in the supplemental mission donation.

g. The garrison commander may not accept unsolicited gifts into the supplemental mission program when the donor intends the donation or gift to be used only by a named FRG. For example, a donor intends a gift to be used "for Brigade X's FRG." Garrison commander must decline the gift because it creates disparity between FRGs experiencing the same deployment cycle events.

h. Commanders and FRG leaders must be careful to avoid stating or implying that the Army officially endorses any person or private organization that offers a gift. The commander and FRG leadership may not promise donors that donations are tax deductible. Businesses may be encouraged to speak with their tax adviser regarding business tax deductions.

i. Commanders who are offered donations they may not accept will consider referring the prospective donor to other Government or private organizations, such as Army Emergency Relief, local tax qualified charities, foundations, and fraternal or service organizations.

j. Commanders will seek guidance from their servicing Judge Advocate and ethics counselor when they receive offers of unsolicited donations for FRG support. For further regulatory instruction regarding gifts offered to the Army or to individuals, see AR 1-100 and AR 1-101.

#### **J-10. Unsolicited donations to a Reserve Component**

The procedures for accepting donations or gifts for an RC may differ, depending upon location and activation status. For RC units attached to an Army garrison or installation, see instructions above regarding the acceptance authority for accepting unsolicited donations intended for FRG support. For guidance regarding gifts intended for an RC not attached to a garrison or installation, see AR 1-100 and AR 1-101. Commanders are also encouraged to seek guidance from their ethics counselors. For specifics, refer to Reserve Command regulations.

**J-11. Private organizations**

Private organizations (POs) have substantially more authority than FRGs to conduct fundraising and to engage in social activities in accordance with AR 210-22, AR 600-29, and DOD 5500.7-R. Individuals may establish POs that share the same family readiness goals and objectives as FRGs. To prevent potential conflicts of interest, if such POs are established, managers or board members of the PO will not also be placed in FRG leadership positions. It is essential that commanders and Government personnel treat such POs in the same manner as all similarly situated POs. Commanders may not direct the establishment or the activities of a PO and must treat POs according to the requirements of AR 210-22, AR 600-29, and DOD 5500.7-R, as applicable. Commanders will seek guidance from their servicing Judge Advocate's office and ethics counselor regarding private organization issues.

**J-12. Commercial sponsorship**

FRGs may not enter into commercial sponsorship agreements. Commercial sponsorship is an agreed upon arrangement under which a business provides assistance, funding, goods, equipment, or services in exchange for public recognition or other promotional opportunities on the installation. In accordance with AR 215-1 and DODI 1015.10, commercial sponsorship is generally only authorized for official MWR programs and events.

**J-13. Official information**

Official FRG information relates to command and mission-essential information that the commander believes families need to be better informed. Official information relates to unit mission and readiness. It includes training schedule information, upcoming deployments, unit points of contact, and the chain of concern. Official information is subject to all applicable regulations governing its use and to guidance in AR 25-55 and 5 USC 552(b).

\*NGR 230-65

NATIONAL GUARD REGULATION  
No. 230-65

HEADQUARTERS  
DEPARTMENT OF THE ARMY  
WASHINGTON, D. C., 14 July 1978

## NONAPPROPRIATED FUNDS AND RELATED ACTIVITIES

### UNIT FUNDS

This regulation contains a revised accounting system and provides for consolidation of unit funds within a State for investment purposes. Wherever the word "he" is used in the regulation, it is intended to include both the masculine and feminine genders, unless otherwise indicated.

	Paragraph
Purpose.....	1
Policy.....	2
Source of funds.....	3
Consolidated Unit Funds.....	4
Command supervision and responsibility.....	5
Administration.....	6
Records.....	7
Use of fund for processing subsistence collections.....	8
Dissolution.....	9
Audits and inspection.....	10
Order or call to active duty.....	11

**1. Purpose.** This regulation prescribes policies and procedures for nonappropriated military welfare funds for the Army National Guard derived from Federal sources.

**2. Policy. a.** Policies and procedures for the establishment and administration of unit funds derived from other than Federal sources will be prescribed by the respective State Adjutant General.

**b.** AR 230-1 and 230-65 as pertains to unit funds are applicable to the Army National Guard (ARNG), except as modified herein.

**3. Source of funds. a.** Funds derived from the following sources will be accounted for and used as nonappropriated funds from Federal sources.

(1) Nonappropriated military welfare funds received by ARNG units during the annual field training period.

(2) Other funds made a part of Federal source funds by authority of the respective State Adjutant General.

(3) Income from investments of these funds.

(4) Proceeds from the sale of fund-owned assets.

**b.** These funds are considered "an instrumentality of the United States" and will not be commingled with State funds or used under any State policies, procedures, or directives.

**4. Consolidated unit funds. a.** A consolidated unit fund composed of all the ARNG unit funds in a

particular State may be authorized. The purposes of such a fund are the efficient operation of unit funds and the opportunity to gain additional revenue through investments. A consolidated fund provides a central record and paying agency, reducing the workload of unit ASTs.

**b.** The request to establish a consolidated unit fund must be submitted by the State Adjutant General and approved by NGB-ARC-M before establishing such a fund.

**c.** Under such an arrangement, each individual unit appoints a fund council, which performs the duties and responsibilities as outlined in AR 230-1.

**d.** The custodian of the consolidated unit fund is appointed by the State Adjutant General. He is responsible for maintaining records for each unit in accordance with Army and National Guard directives. The custodian makes expenditures for goods and services that are authorized by the individual unit fund council.

**e.** Investments of funds made by such a consolidated fund may be made in accordance with paragraphs 2-7a, d, and e, AR 230-1. Such investments will be restricted to those prescribed in chapter 2, section III, AR 230-1. The investment of such funds in accounts that assess a penalty for early withdrawal will be avoided.

**5. Command supervision and responsibility.** The State Adjutant General has supervisory responsibility for all nonappropriated funds covered by

\*This regulation supersedes NGR 230-21, 20 January 1971.

**NGR 230-65**

this regulation. Commanders at all levels are responsible for evaluating morale, welfare, and recreational programs to determine that nonappropriated welfare funds are used to achieve maximum benefit for all personnel.

**6. Administration.** *a.* The commanding officer of the highest organizational command present at the training installation will designate the unit fund to receive dividend checks from the Morale Support Fund of the installation. These funds may be administered centrally or distributed all or in part to subordinate units and will be administered as unit funds.

*b.* Unit funds will be established at levels of command where the most economical use of funds may be made to benefit all personnel.

*c.* Unit fund councils will be appointed for the administration and supervision of the funds. Units that have had no unit fund financial transactions during the period of a calendar quarter are exempt from quarterly council meeting requirements.

*d.* States may desire to establish custodians for unit funds instead of unit fund councils in accordance with chapter 4, AR 230-1. Unit fund councils need not be appointed if the State establishes custodians for unit funds.

**7. Records.** Basic and supplementary accounting records and forms for unit funds of ARNG activities will be maintained in accordance with section III, chapter 9, AR 230-65, except for the following:

*a.* Waiver for filing vouchers by months is granted when the volume of transactions is too small to warrant the establishment of monthly files.

*b.* The preparation of the cash, property and reconciliation record will be required for those months in which transaction(s) occur. Otherwise, the cash, property, and reconciliation record will be limited to preparation at the end of each quarter of the fiscal year.

**8. Use of fund for processing subsistence collections.** ARNG unit funds may be used by unit commanders for processing the turn in of cash collections for subsistence to the USPFO. Under this special authority, cash collections for subsistence may be deposited in the unit fund account, and a check for the same amount made payable to the Treasurer of the United States will be issued immediately, provided there is no bank service charge for such check. The check will then be transmitted promptly by regular mail to the USPFO.

**9. Dissolution.** Transfer of assets of a unit fund is authorized in connection with inactivation, reorganization, or conversion of units to:

*a.* Fund of new unit when unit is redesignated.

*b.* Fund of new unit when entire organization is transferred to that unit.

*c.* New units on a pro rata basis when entire organization is reconstituted into one or more units located in the same State.

**10. Audits and inspections.** *a.* Regular audits and inspections will be made as prescribed by the respective State Adjutant General. No requirement will be necessary for an audit or inspection of unit fund accounts that have a zero balance and there is no activity in the account since the date of the last audit or inspection.

*b.* Annual inspection will be made each year during the annual visit by The Inspector General of the Army area.

*c.* Unit funds will be audited in accordance with the procedures in paragraph 1-6h, AR 36-75 for funds using a single entry cash basis system of accounting.

**11. Order or call to active duty.** Paragraph 6-10, AR 135-300 and paragraphs 4-18 and 4-26, AR 230-1 will apply in cases of mobilization and demobilization of units.

Headquarters  
Department of the Army  
Washington, DC  
15 November 1983

**\*Army Regulation 1-100**

Effective 15 December 1983

Administration

**Gifts and Donations**

By Order of the Secretary of the Army:

JOHN A. WICKHAM, JR.  
*General, United States Army  
Chief of Staff*

Official:

ROBERT M. JOYCE  
*Major General, United States Army  
The Adjutant General*

**History.** This UPDATE issue is a reprint of the original form of this regulation that was published on 15 November 1983. Since that time, no changes have been issued to amend the original. This publication has been reorganized to make it compatible with the

Army electronic publishing database. No content has been changed.

**Summary.** This regulation has been revised to issue administrative policies that implement a new law concerning gifts given to the United States Military Academy, and to change the dollar amount in the determination of gift categories.

**Applicability.** This regulation applies to the Active Army, the Army National Guard (ARNG), and the US Army Reserve (USAR).

**Proponent and exception authority.** Not applicable

**Army management control process.**  
**Supplementation.** Supplementation of this regulation is prohibited without prior approval from HQDA (DAAG-PSI), ALEX VA 22331.

**Interim changes.** Interim changes to this

regulation are not official unless they are authenticated by The Adjutant General. Users will destroy interim changes on their expiration dates unless sooner superseded or rescinded.

**Suggested Improvements.** The proponent agency of this regulation is The Adjutant General's Office. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to HQDA (DAAG-PSI), ALEX VA 22331.

**Distribution.** To be distributed in accordance with DA Form 12-9A requirements for AR, Administration. *Active Army*, D and C; *ARNG*, D; *USAR*, D.

**Contents** (Listed by paragraph and page number)

Purpose • 1, *page 1*  
References • 2, *page 1*  
Explanation of abbreviations and terms • 3, *page 1*  
Responsibilities • 4, *page 1*  
Gift categories and acceptance • 5, *page 1*  
Processing gifts • 6, *page 2*  
Residual gifts • 7, *page 2*

**Appendix A.** Statutory Provision for Certain Gifts to the United States Military Academy, *page 3*

**Glossary**

**Index**

\* This regulation supersedes AR 1-100, 1 March 1979.



### 1. Purpose

This regulation sets policies and procedures for accepting and administering gifts to the Army that are subject to section 2601 of title 10, United States Code (10 USC 2601). It also gives authorization, direction, and information on accepting certain gifts not covered by that statute, but covered by other authorities (paras 66 through 7).

### 2. References

Required publications are listed below.

- a. AR 1-101 (Gifts for Distribution to Individuals). Cited in paragraph 6.
- b. AR 210-3 (Nonstandard Activities of the United States Military Academy and West Point Military Reservation). Cited in paragraph 6.
- c. AR 230-1 (The Nonappropriated Fund System). Cited in paragraph 6.
- d. AR 600-50 (Standards of Conduct for Department of the Army Personnel). Cited in paragraph 6.
- e. AR 735-5 (Property Accountability: General Principles, Policies, and Basic Procedures). Cited in paragraph 5.
- f. AR 870-20 (Historical Properties and Museums). Cited in paragraph 6.

### 3. Explanation of abbreviations and terms

#### a. Abbreviations.

- (1) AFIP—Armed Forces Institute of Pathology
- (2) MSP—Morale Support Program
- (3) NAF—nonappropriated funds
- (4) NAFI—nonappropriated fund instrumentalities

#### b. Terms.

(1) *Gift*. A contribution, donation, devise, or bequest of real or personal property. The two classes of gifts are shown below.

(a) *Conditional gift*. Money or other intangible personal property (stocks and bonds) offered with specified limitations on its ownership and use; or real property or tangible personal property offered on condition that it would be used in a manner, or for a purpose, or in a place that is not considered normal use or placement; or real property or tangible personal property offered on condition that it would be used by specific organizations other than those that normally use such property.

(b) *Unconditional gift*. Money or real or personal property offered with no limitation on its ownership or use. If a donor does specify that a gift (real or personal property) be used in a certain place, manner, or for a certain purpose, but the condition is for normal use, the gift is to be considered unconditional.

(2) *Other similar institution or organization*. As used in 10 USC 2601, any institution or organization similar to a school, hospital, library, museum, or cemetery.

(3) *Recipient of an offer*. The commander, or his or her designated representative, of an organization chosen to receive a gift.

(4) *Negligible cost*. Cost that the commander considers inconsequential and can be disregarded because it is small or unimportant and will not have an impact on the commander's operating budget.

(5) *Nonappropriated fund instrumentality (NAFI)*. An integral DOD organization that—

(a) Assists other DA organizations in providing Morale Support Programs (MSP) for military and civilian personnel.

(b) Is established and maintained individually or jointly by the heads of the DOD components.

(c) Has custody and control over its nonappropriated funds (NAFs).

(d) Supplements the MSP of other authorized organizational entities with its own NAFs when authorized. It is not incorporated under the laws of any State or the District of Columbia and it enjoys the legal status of an instrumentality of the United States.

### 4. Responsibilities

a. *The Secretary of the Army*. The Secretary of the Army will—

- (1) Accept and manage certain conditional gifts. These gifts are

to be used for the benefit of, or in connection with, the establishment, operation, maintenance, or administration of any school, hospital, library, museum, cemetery, or other similar institution or organization under the jurisdiction of the Department of the Army.

(2) Pay all necessary expenses involved in the transfer of conditional gifts. Any gift accepted by the Secretary of the Army under authority of 10 USC 2601 or the statutory provisions of Public Law (PL) 97-252 will be deemed a gift to or for the use of the United States.

(3) Have the Secretary of the Treasury establish a special deposit account, entitled "US Department of the Army General Gift Fund," on the books of the Treasury. All funds received as conditional gifts under the provisions of 10 USC 2601 will be initially deposited in the account.

(4) Disburse the Gift Fund to the chosen organization. The disbursements are subject to the terms and conditions of the particular gifts.

(5) Request the Secretary of the Treasury to invest or retain investments of all or any part of the Department of the Army General Gift Fund. Investments of these funds will be made only in securities of the United States or in securities guaranteed as to principal and interest by the United States. The interest and profits will be deposited and disbursed in the same manner as the funds in (3) and (4) above.

b. *The Adjutant General*. The Adjutant General will administer the Army Gift Program and will monitor all information and correspondence pertaining to conditional gifts designated for approval by the Secretary of the Army. The Soldiers/Family Assistance Directorate, The Adjutant General's Office (DAAG-PSI), will coordinate with all appropriate agencies on such gifts.

c. *Commanding General, US Army Finance and Accounting Center*. The Commanding General, US Army Finance and Accounting Center (USAFAC) will—

(1) Receive and account for all funds for accepted gifts. All transactions will comply with the requirements of the applicable Army regulations in the AR 37-series. Correspondence about such funds will be sent to Cdr, US Army Finance and Accounting Center, ATTN: FINCO-BD, Indianapolis, IN 46249. Gifts to the US Military Academy that are under the statutory provisions of appendix A are exceptions.

(2) Through the Field Services Division (DO 5557), process necessary collections and disbursements relative to accepted gifts based upon documentation received from the Director of DA Financial Operations. All gifts of money will be held in the applicable suspense account pending acceptance by the Secretary of the Army.

(3) Through the Director of DA Financial Operations on notification of acceptance of a gift, allocate funds to the major command or operating agency responsible for the organization chosen to receive the gift. No expenditure will be made until DA Form 1323 (Funding Authorization Document) is received. A copy of each DA Form 1323 will be sent to HQDA (DAAG-PSI), ALEX VA 22331.

### 5. Gift categories and acceptance

a. *Determination of gift categories*. In deciding to receive a gift, the recipient of an offer must consider the propriety of the gift, as well as the relationship between the intrinsic value of the gift to the Army and the cost of acceptance and maintenance.

(1) Normally, gifts with a value of more than \$1,000 will be treated as conditional gifts and processed as discussed in paragraph 7a. Exceptions are those gifts—

(a) To museums and historical collections.

(b) To NAFIs.

(c) Whose acceptance and maintenance entail more than negligible cost.

(2) Normally, a gift with a value of \$1,000 or less and whose acceptance and maintenance entail negligible costs will be treated as unconditional and processed as discussed in paragraph 6b. Therefore, when this type of gift is offered, the recipient should recommend that the donor make it unconditional.

(3) If there is any doubt about the offer being conditional or

unconditional and if clarification cannot be obtained from the donor, it will be treated as a conditional gift.

*b. Acceptance of gifts.*

(1) If a gift is offered on condition that it be used as discussed in paragraph 4a, the Secretary of the Army must approve the offer before the gift can be accepted. All DA personnel may receive offers of such gifts and may send the offers to the commander of the installation chosen to receive the gift. However, the Secretary of the Army must accept or reject such gifts. Upon acceptance, The Adjutant General will issue instructions on its disposition.

(2) If a conditional gift is offered that is for a defense purpose but does not fall within the scope of 10 USC 2601 (school, hospital, library, museum, or cemetery), it may be considered for acceptance by—

(a) The Secretary of the Treasury under 50 USC 1151.

(b) The Administrator of the General Services Administration under 50 USC 1151.

(c) The Secretary of the Army under 10 USC 2672 (land acquisition). Advice on such gifts may be sought from The Adjutant General (DAAG-PSI).

(3) Secretarial approval is not needed for unconditional gifts of value under \$1,000 when their acceptance will not burden appropriated funds or other funds involved.

(4) Under 10 USC 2601, the Secretary of the Army accepts all gifts of money offered on condition they be used for the operation of the American Registry of Pathology as a cooperative enterprise in medical research and education between the Armed Forces Institute of Pathology (AFIP) and the civilian medical profession. The Director, AFIP, will—

(a) Receive and process such gifts without reference to the Secretary of the Army.

(b) Send such gifts within 24 hours of receipt to the US Army Finance and Accounting Center (para 4c).

*c. Accountability.* Physical property acquired under the provisions of this regulation will be accounted for as prescribed in AR 735-5.

*d. Privileges and concessions to donor.* No arrangements will be made to grant special privileges or concessions to a donor.

*e. Solicitation of gifts.* DA personnel will not solicit gifts from potential donors. They may, however, in response to an appropriate inquiry, inform potential donors of needs of the service.

**6. Processing gifts**

*a. Conditional gifts will be processed as follows:*

(1) An installation commander receiving the offer of a conditional gift will advise the prospective donor that the Secretary of the Army or other appropriate authority (see para 5b(2) and d through f below) must formally approve acceptance of the gift. A written offer of the gift, signed by the donor, must be obtained. In the case of a devise or bequest, a copy of the will is required. The commander will then send the written offer, full details of the conditions upon which the offer is made (including the expense involved, if any), and his or her recommendation through the major Army commander for review and recommendation to HQDA (DAAG-PSI) ALEX VA 22331, where the offer will be processed for formal acceptance. The commander's recommendation will specifically include his or her opinion as to whether acceptance of the gift could be construed as an action to be avoided under the provisions of AR 600-50, paragraph 1-5e. With respect to formulating such opinion, the advice of the installation contracting officer and the legal advisor will be sought.

(2) Conditional gifts of negotiable instruments (checks, money orders, drafts, etc.) will be made payable to or indorsed to the Treasurer of the United States and will be furnished with the written offer.

(3) Conditional gifts of tangible property will remain in the possession of the donor. However, if circumstances warrant receipt of the gift, it will be properly protected pending acceptance or rejection.

(4) If the conditional gift offered is to construct a building or

other permanent structure (museum, library, etc.), the plans must be approved by the Army installation facilities engineer and sent to the MACOM engineer for review and recommendation to HQDA (DAAG-PSI). The MACOM commander's recommendation will include the construction plans, the written offer, and complete details (including cost of construction and location site). The Adjutant General will be responsible for DA Staff coordination prior to submission of the offer for appropriate approval.

*b. Unconditional gifts should be processed as follows:*

(1) When consistent with the intent of the donor, unconditional gifts of money or tangible personal property made directly to Army units will be treated as gifts to the unit welfare fund or other nonappropriated fund and not as gifts to the US Government.

(2) If unconditional gifts of money or other tangible personal property offered directly to Army units cannot be construed as gifts to the unit welfare fund or other NAF, they will be treated as—

(a) Unconditional gifts to the United States, which are discussed in (3) below.

(b) Conditional gifts to the United States for use by that unit and processed as specified in a above.

(3) Under the authority of 31 USC 484, unconditional gifts of money made to the US Government must be deposited in the US Treasury as miscellaneous receipts by the officer accepting the gift. This money may not be expended by the officer or retained by the unit.

(4) Gifts to NAF activities will be processed in accordance with AR 230-1, paragraph 1-20.

*c. Gifts (conditional or unconditional) offered for distribution to individuals will be processed according to AR 1-101.*

*d. Gifts of historical items for museums or other historical collections are governed by AR 870-20.*

*e. Gifts of any interest in land or realty not within the scope of 10 USC 2601 may be considered for acceptance by the Secretary of the Army under 10 USC 2672 or the Administrator of the General Services Administration under 50 USC 1151.*

*f. According to PL 97-252, section 1133, and notwithstanding other terms of this regulation, the Secretary of the Army authorizes the Superintendent, US Military Academy (USMA) to accept, hold, administer, invest, and spend any gift, devise, or bequest of personal property of a value of \$20,000 or less made to the United States on the condition that such gift, devise, or bequest be used for the benefit of the USMA or any part of it. Procedures for gifts administered under PL 97-252 are in AR 210-3, chapter 11.*

*g. Questions about offers of gifts that do not readily fit into the categories described should be referred to the local Staff Judge Advocate. Action that cannot be resolved within the command may be referred to HQDA (DAAG-PSI).*

**7. Residual gifts**

When a conditional monetary gift that is maintained in the Army General Gift Fund is consumed to the point at which its value is less than \$100, it will revert to the Treasury as a miscellaneous receipt.

**Appendix A**  
**Statutory Provision for Certain Gifts to the United States Military Academy**  
PL 97-252, Section 1133, Use of Certain Gifts to the United States Military Academy.

“(a) Under regulations prescribed by the Secretary of the Army, the Superintendent of the United States Military Academy may (without regard to Section 2601 of Title 10, United States Code) accept, hold, administer, invest, and spend any gift, devise, or bequest of personal property of a value of \$20,000 or less made to the United States on the condition that such gift, devise, or bequest be used for the benefit of the United States Military Academy or any entity thereof. The Secretary of the Army may pay or authorize the payment of all reasonable and necessary expenses in connection with the conveyance or transfer of a gift, devise, or bequest under this section.”

“(b) This section applies with respect to any gift, devise, or bequest made on or after the date of the enactment of this Act for the purpose described in subsection (g) and applies to any such gift, devise, or bequest, or devise made before the date of the enactment of this Act with respect to which the Secretary of the Army has approved application of this section rather than Section 2601 of Title 10, United States Code.”

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